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Why Korea?

Without Lockdown, Korea's 3Q FDI Hits Record High

ONE-ON-ONE WITH

GUDMUNDUR JONSSON

Head of College
Dulwich College Seoul

Gudmundur Jonsson talks about his experience spearheading an international school in Korea as well as the country's COVID-19 response measures to ensure a disruption-free learning environment.

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Foreign Direct Investment

FDI pledges to S. Korea up 43.6 pct in Q3 despite pandemic

Foreign direct investment (FDI) pledges to S. Korea shot up 43.6 percent in the third quarter of 2020 from a year earlier, data showed Oct. 13, as the manufacturing segment drew a massive investment commitment.

Asia's No. 4 economy received USD 5.23 billion worth of FDI commitments over the July-September period, compared with USD 3.61 billion logged the previous year, according to the Ministry of Trade, Industry and Energy (MOTIE).

During the January-September period, S. Korea won FDI commitments of USD 3.78 billion in the manufacturing segment, up 9.2 percent from the previous year, on the back of strong gains from the electronics and medical industries. The service sector, however, received FDI commitments worth USD 8.91 billion, down 9.5 percent on-year, due to the weak performance of the retail and real estate industries, the data showed.

Ulsan Free Economic Zones to partner with KOTRA to attract FDI

On Oct. 6, Ulsan City launched a feasibility assessment project, partnering with KOTRA to set up a strategy to help bring foreign investment inflows into three Free Economic Zones—Hydrogen Town, Auto Valley and R&D Biz Valley—across the city.

This annual project conducted by outsourced researchers and sponsored by MOTIE extends to data collection and analysis to better understand the trends of the hydrogen industry at home and abroad, business comparative advantage, investment modeling, as well as targeting and support work for investor relations (IR).

The budget for the research project is estimated to total KRW 100 million with KRW 70 million coming from the trade ministry.

Industry

S. Korean drug firms ink major COVID-19 vaccine, treatment manufacturing deals

A number of major South Korean pharmaceutical companies have recently signed a series of deals to manufacture vaccines and treatment drugs for the novel coronavirus, industry watchers said Nov. 18.

Among the front-runners is industry leader Samsung Biologics Co., which successfully inked two contract manufacturing organization (CMO) agreements this year. Earlier this week, the company also signed a long-term agreement with U.S. pharmaceutical firm Eli Lilly and Company to manufacture a novel coronavirus-neutralizing antibody. Under the CMO agreement, Samsung Biologics will provide Eli Lilly's investigational neutralizing antibody for the treatment of COVID-19 patients.

Another industry leader, SK Bioscience, also inked a CMO deal with global pharmaceutical company AstraZeneca in July to supply a candidate material for a COVID-19 vaccine.

In August, the local biotech firm also signed a separate contract development and manufacturing organization (CDMO) deal with Novavax, a U.S. biopharmaceutical company, for a COVID-19 vaccine.

Under the deal, SK Bioscience will receive the antigen manufacturing technology from Novavax and will produce the vaccine at its plant in the country.

Consumer sentiment rises by most in nearly 12 years in Oct. amid eased virus curbs

S. Korea's consumer sentiment rose by the most in nearly 12 years in October as the economic outlook improved amid relaxed social distancing measures, central bank data showed Oct. 28.

The composite consumer sentiment index (CCSI) came in at 91.6 for October, up 12.2 points from 79.4 recorded for September, according to the Bank of Korea (BOK). The reading marks the largest on-month increase since April 2009 when the index rose by 20.2 points. It also marks the highest mark since February when the sentiment index reached 96.9.

The BOK said the rebound in consumer sentiment came as people presented a brighter economic outlook following a slowdown in new COVID-19 cases.

Trade & Commerce

S. Korea signs RCEP trade pact after summit with 14 partner nations

South Korea signed what will be the world's largest free trade agreement on Nov. 15 after concluding related talks during a virtual summit of President Moon Jae-in and leaders of 14 partner countries.

The Regional Comprehensive Economic Partnership (RCEP) involves 10 members of the Association of Southeast Asian Nations (ASEAN) as well as South Korea, China, Japan, Australia and New Zealand, and their combined gross domestic product accounts for a third of the world's total.

"We note that the RCEP Agreement is an unprecedented mega regional trading arrangement that comprises a diverse mix of developed, developing and least developed economies of the region," Moon and his counterparts said in their joint statement.

They added, "We believe that RCEP, being the world's largest free trade arrangement, represents an important step forward toward an ideal framework of global trade and investment rules."

FTA partners help S. Korea continue trade surplus amid virus

S. Korea's free trade agreement (FTA) partners have played a key role in helping the country maintain its trade surplus and volume this year amid the coronavirus pandemic, government data showed Oct. 28.

Asia's fourth-largest economy registered a trade surplus of USD 40.4 billion with its FTA partners in the January-September period, according to the data from the Korea Customs Service.

In contrast, S. Korea posted a USD 12.8 billion trade deficit with non-FTA partners, resulting in an overall surplus of USD 27.6 billion.

Government & Policy

In budget speech, Moon says time for full-scale push to revitalize economy

President Moon Jae-in declared a full-fledged policy drive on Oct. 28 for the clear recovery of S. Korea's economy, coupled with the firm stabilization of the COVID-19 situation here.

In his parliamentary speech on the state budget, Moon assured lawmakers that the government would create a record high budget, proposed for 2021, with a focus on creating jobs, reinvigorating the economy and winning the fight against the coronavirus. His administration has drawn up a KRW 555.8 trillion (USD 469.8 billion) budget bill, a 8.5 percent hike from this year.

"It's time to operate full-scale measures to invigorate our economy to put it on a normal track starting next year," he said during the annual address at the National Assembly. He described a clear economic recovery and a win in the anti-virus fight as "two rabbits" that S. Korea should catch at the same time without fail.

"First, (the government) will put its priority on a quick and strong economic recovery," Moon said regarding the direction of the government's fiscal operation plans.

He emphasized the importance of maintaining and creating jobs, saying it is a starting point for an economic recovery, as well as the most important issue associated with people's livelihoods.

He cited the Korean version of the New Deal aimed at transforming the nation into a "pacesetting" economy via job creation and the development of future growth engines, especially in digital and environment friendly sectors, a project to cost a total of around KRW 160 trillion.

Moon said S. Korea is proving to be a country "strong in crises," as it has done better so far in both virus control and economic stimulus than many other countries.

S. Korea's economy, the fourth largest in Asia, grew in the July-September period mainly on a rebound in exports after having contracted for two consecutive quarters, according to the Bank of Korea.

Source: www.investkorea.org, Yonhap News Agency

Without Lockdown, Korea's 3Q FDI Hits Record High

FDI pledges to S. Korea hits quarterly record high in Q3

The Ministry of Trade, Industry and Energy of Korea announced that country's foreign direct investment (FDI) in the third quarter of 2020 recorded USD 5.23 billion on reporting basis, the largest quarterly amount in history. This figure is 43.6 percent up from the third quarter of 2019.

The cumulative investment attraction amount from the first to the third quarter of 2020 reached USD 12.89 billion, down 4.4 percent from the same period in the previous year as reported. The figure plunged by 22.4 percent in the first half of this year compared to the same period last year due to the effects of the COVID-19 pandemic, but the amount increased significantly in the third quarter, reducing the percentage of decrease to 4.4 percent.

Such figures stand in contrast to the current global trend of decreasing FDI due to the COVID-19 pandemic. The United Nations Conference on Development and Trade (UNCTAD) predicted that in 2020, global foreign direct investment is expected to decline by 40 percent from USD 1.54 trillion last year to USD 1 trillion, and it is projected to further drop by 5 to 10 percent in 2021.

S. Korea's balancing act between disease control and revitalizing the economy

Despite such a gloomy prospect, a rather positive investment environment is emerging in Korea amid the COVID-19 pandemic. According to analysts, Korea appeals to foreign investors because it is successfully responding to and protecting against the COVID-19 crisis, and because it is continuing its industrial and economic activities without implementing lockdown measures.

A recent OECD report noted that, "the Korean economy has experienced a serious recession due to the COVID-19 pandemic, but the level of its economic contraction is very low compared to those of other OECD member countries, thanks to its prompt and effective policy development and implementation." In fact, Korea's economic growth rate in 2020 is expected to be the highest among OECD member countries and second-highest in the Group of 20.

Korea's flagship and future growth industries

In particular, demand for investment with the aim to participate in the value chain led by global Korean companies in Korea's flagship industries such as semiconductor, chemical/material, display, and automobile, is increasing. Also, as Korea has demonstrated high competitiveness in the fields of medicine, pharmaceutical, bio and IT in the course of its response to the COVID-19 pandemic, an increasing number of investors are considering Korea as the global hub for bio R&D and production. In addition, foreign investors' interest in Korea's distribution infrastructure encompassing logistics and e-commerce, which has proven to be operating very effectively even in the midst of the pandemic, is also increasing.

In Korea, Business is Uninterrupted

Differentiated FDI Recovery Trends of Korea

Korea is offering more investment opportunities based on its robust business environment, which has remained uninterrupted despite the spread of COVID-19. The country is seeing existing foreign investors increasing their investment funds or even making new investments. Foreign businesses acknowledge that in Korea, you can continue business operations without a shutdown, thanks to the nation's successful efforts to contain the virus.

Korea's stable business environment as compared to those of developed nations brought about significantly different results in terms of the rate of foreign direct investment (FDI) slashed by the COVID-19 outbreak. Amidst a global health crisis as well as economic crisis emerging at the same time due to the pandemic, FDI figures of the world's economic leaders including the United States and European nations decreased year-on-year by 30 to 40 percent. In contrast, the reported FDI in Korea dropped by approximately 4.4 percent year-on-year up to the third quarter of 2020, which is relatively more stable than other major economies. Moreover, long-term loans in Korea dramatically grew by 237.9 percent year-on-year, and the amount of attracted investment increased by 43.6 percent, showing a differentiated trend in FDI recovery.

FDI Strategy of Korea, "Safety with New Tech Based Agility"

Korea strengthened its competitiveness in line with the recent realignment of FDI focused on the global value chain (GVC) and was able to attract FDI despite the COVID-19 crisis. There is a growing need to strengthen competency by improving technology in the changing FDI environment. In particular, the fourth industrial revolution highlighted the importance of new technologies and the strategies supporting them (e.g., digital transformation and platform strategy). Also required are platforms and processes for attracting investment with a focus on a broader business ecosystem and shifting to regional market-oriented and target-oriented business attraction centered on new businesses and regions.

Korea responded to changes in the FDI paradigm with its dynamic capabilities stemming from new tech-based agility, continuity of investment attraction, and organic system for supporting the investment attraction platform. Above all, the pandemic made it crucial to build a safe local investment environment. Korea successfully put forward its stable investment environment as an investment attraction strategy to foreign investors by swiftly and actively devising an emergency plan based on cutting-edge technology. In particular, the country, based on such agility, demonstrated its ability to merge medical, bio, and information technologies. As a result, the export of test kits and hygienic products increased, and Korea discovered opportunities to grow as a global bio production hub.

In the Era of Post COVID-19, Why Korea?

Korea's efforts to ensure continuity in investment attraction and its organic system for supporting the investment attraction platform also helped relatively limit COVID-19's impact on FDI attraction. The government provided a favorable environment for foreign investors by organizing a COVID-19 Task Force as well as revising the Foreign Investment Promotion Act and cash subsidy regulations. Responsible bodies including the Ministry of Trade, Industry and Energy and KOTRA (Invest KOREA) served as bridge-builders for new industries (e.g., medical and healthcare, ICT, green energy, machine robotics, and cultural content) and ensured that major investment can take place uninterrupted by shifting from the existing face-to-face investment promotion activities to various online methods.

The world's leading organizations are citing the sustainable development goals (SDGs) as an alternative amidst the reshuffling of foreign direct investment. While more than 150 countries have adopted sustainable development strategies, COVID-19 has prevented most of them from actively pursuing a specific roadmap. In contrast, thanks to its uninterrupted business environment backed by K-Quarantine, Korea is actively implementing digital and green new deal policies, which are part of the SDGs. I expect Korea will emerge as a leader championing the newly-organized trend of FDI in the post COVID-19 era.

By Professor Jin Sup Jung

Dean, Office of International Services
Chungbuk National University
jsjung1@gmail.com

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

Smart Innovation & Safe Growth with Korea

KOTRA kicks off contact-free Invest KOREA Week (IKW) 2020

The Korea Trade-Investment Promotion Agency (KOTRA) celebrated the kickoff of its annual investment promotion event called Invest KOREA Week (IKW) 2020 on Nov. 11. The event, marking its 16th anniversary, was launched to inform investors and business partners across the world on Korea's attractive investment environment. This year, due to the COVID-19 pandemic, IKW was held virtually on Nov. 11-18 via Arirang TV and other online platforms.

IKW is the largest Investor Relations (IR) forum in Korea, as part of flagship events sponsored by the Ministry of Trade, Industry and Energy (MOTIE), KOTRA and the Korea International Broadcasting Foundation (KIBF).

A variety of programs such as the Global Innovation Forum, Forum on Leading Industries of Korea, a business partnering session, a briefing session to introduce promising industries in Korea and the Foreign Press Conference took place during the week-long event. Notably, at the Global Innovative Forum, speakers delivered presentations on Korea's investment climate and COVID-19 disease control measures, which have been the key in successfully flattening the epidemic curve in the country.

In celebration of the opening of this year's event, Sung Yun-mo, the industry minister of Korea delivered his welcoming remarks online, underscoring Korea's business environment as ideal for investment, never having had to shut down its economy even in these difficult times.

In addition, KOTRA held a business partnering session comprised of one-on-one pre-arranged virtual business meetings, during which nearly 140 local companies were matched with potential investors and venture capitalists worldwide.

☞ You can watch the entire IKW 2020 event on the "KOTRA Business Channel" on YouTube.

Global Innovation Forum (Nov.11)

Changes in the global investment environment and Korea's response strategy

Korea, Turning Crisis into Opportunity

The Global Innovation Forum was the opening event of IKW 2020. The 120-minute forum consisted of video meetings, presentations and panel discussions. Kwon Pyung-oh, CEO of KOTRA, gave an opening address, in which he mentioned that Korea is rather successfully coping with the COVID-19 pandemic through its successful disease prevention efforts and preemptive economic policies. He went on to emphasize that as the importance of non-face-to-face services and new technologies such as AI are expected to continue to grow in the COVID-19 era, we need the wisdom of turning crisis into opportunity by attracting foreign investment.

In his welcoming address, Sung Yun-mo, Minister of Trade, Industry and Energy, said that the Ministry will continue to actively support uninterrupted business activities of companies and strongly push ahead with the "World Factory of High-Tech Industries" policy and the "Korean New Deal" policy.

Reorganization of Global Value Chain Induced by COVID-19

After the opening and welcoming addresses, IKW 2020 continued on, featuring video meetings with James Zhan, Director of Investment and Enterprise at the United Nations Conference on Trade and Development (UNCTAD), and Jacopo Dettoni, chief editor of FDI Magazine. James Zhan said that the COVID-19 pandemic has revealed serious flaws in the functional aspects of the global value chain, and predicted that we will continue to see changes in the global value chain, including offshoring, nearshoring and RVC differentiation.

Jacopo Dettoni, chief editor of the FDI Magazine published by the Financial Times, said that supply chain restructuring of global companies is being identified and that, going forward, the green economy will be an important key in setting the direction for overcoming the COVID-19 crisis.

Post COVID-19 Industry Keywords: Smartization, Innovation, Stability and D.N.A

The video meetings were followed by presentations by Shawn Chang, head of Invest Korea, and Sung-roh Yoon, Chairperson of Presidential Committee on the Fourth Industrial Revolution. Mr. Chang presented three keywords for investment in Korea: Smartization, Innovation and Stability. He emphasized that such three strengths of the Korean economy proven through the COVID-19 crisis will serve as the growth engine of the global economy. Chairperson Yun gave a presentation on the Korean New Deal policy, and said that the three letters, "D" (Data), "N" (Network), and "A" (AI) will be critical in ushering in the post COVID-19 era.

Panel Discussion: Korea's Response Strategy and Direction for the Next Wave of Digital Transformation in the Age of COVID-19

In the following session, the panelists had valuable discussion on the subject of, "The Era of Post COVID-19 and Digital Transformation, What's Korea's Solution?" The panel included Hwy-chang Moon, Honorary Professor, Graduate School of International Studies of Seoul National University; James Kim, President of AMCHAM; Jim Falteisek, President of 3M Korea; Eric John, President of Boeing Korea; and Julian Klaus, Head of Technology Office Korea, BMW Group Korea—who were all present in-person—as well as Willam Chen, vice president of Global Wafers, who was joining online.

The panel unanimously highly assessed the Korean government's successful response to the COVID-19 pandemic as well as the fact that Korea is continuing its economic activities nearly without any type of lockdown.

There was also an exchange of various views on the Korean New Deal policy. Professor Moon said that the two major axes of the Korean version of the New Deal are the Digital New Deal and the Green New Deal, noting that digital innovation is expected to contribute to the increase in foreign investment as it is progressing at the fastest speed in Korea. James Kim, President of AMCHAM, also said that the partnership between American companies and Korean companies with their strong IT capabilities will grow even stronger, and the emphasis put on digital innovation since the outbreak of COVID-19 is creating more opportunities for cooperation.

The last agenda was "Materials, Parts, and Equipment 2.0." Participants from foreign-invested companies all agreed that Korea is potentially an attractive investment destination in the areas of materials, parts and equipment, with advanced materials company 3M saying that the Digital New Deal policy will have positive effects on its future business expansion in Korea.

Forum on Leading Industries of Korea (Nov. 11)

Reasons for investing in Korea: Industries and examples of successful investment

Interview with Jim Rogers, Renowned American Investor

The Forum on Leading Industries of Korea began its 90-minute session after the Global Innovation Forum, starting with an interview with Jim Rogers, a world-famous investor. Rogers commented on both the crisis and opportunities caused by the COVID-19 pandemic, and introduced Korea as a country where new innovations always emerge. He pointed out Korea's travel, tourism and graphene sectors as the areas in which he is interested in making investments and predicted that graphene will be one of the best innovations in the 21st century. He also mentioned that Korea is implementing policies focused on opening up the economy in the future such as the designation of free economic zones, and said that more free economic zones would be helpful.

Panel discussion: Impact of COVID-19 on Investment Climate and Decision-making

After the interview with Jim Rogers, a panel discussion session began with panel members including Jin-chul Kim, honorary ambassador of foreign investment promotion for Korea (former President of BASF Korea); Sae-Keun Yoo, Chairman of Foreign Company Association in Korea; John Elliott, President of the Busan New Container Terminal; Joon-ho Choi, General Manager of Cytiva Korea Commercial; and Dong-joon Ihm, Executive chairman of Umicore Korea. The topic of the panel discussion was the "Changes in the post COVID-19 Investment Environment and Factors in Investment Decision-making."

John Elliott said that Korea has shown great resilience on the back of the Korean government's aggressive and proactive approach in tackling the virus. He noted that he was impressed by the Free Economic Zone Administration and cited the country's outstanding human resources as the reason the world is paying attention to Korea.

In addition, many reasons were brought up as to why the world is looking to Korea as an attractive investment destination. Some of the reasons were that Korea is the world's best test bed; it is easy to build a global value chain centered on promising startups; Korea has a number of industrial clusters with competitiveness; and that the Korean government provides active support and is implementing the Digital, Green, and Regional New Deal policies.

*In the December issue, we will cover the Foreign Press Conference 2020, which was held on Oct. 20 at the Korea Press Center and broadcast online on Nov. 13, 2020. Major foreign media such as the Wall Street Journal and Le Figaro attended the event and asked questions about Korea's COVID-19 response policy, post COVID-19 FDI policy, and the Digital New Deal policy.

By Hyo Jung Jang
Assistant Manager
Investment Public Relations Team
Korea Trade-Investment Promotion Agency (KOTRA)

College Life in the Era of Coronavirus

"Today, we are interviewing college students to talk about how the COVID-19 pandemic has changed their lives. First, let me ask you, Ms. Kim, I heard that you are now taking online lectures due to COVID-19. Can you tell us about some of the main changes you've experienced?"

"This may sound surprising, but not much has changed when it comes to taking classes. Thanks to the real-time video communication app Zoom, we can ask professors questions and get instant feedback. I think the biggest difference is that students tend to buy a tablet now instead of textbooks. With a tablet, you can take online classes and take notes without printing out the study materials. And you can even record sections that you don't understand. Tablets PCs are not just for classes. I use them to make promotional videos for student council, and my friends also use tablet PCs to make posters for their academic societies and post them on the school's online community. Recently, I read an article that sales of tablet PCs grew for the first time in four years due to COVID-19."

"You just mentioned videos for student council. So, would you say that activities inside and outside of school, like student council and academic societies, are ongoing even as students take classes virtually?

"Yes. For instance, the student council that I participate in publishes "card news" to provide useful tips for freshmen, and post them on social media and groups chats. We've also organized online gatherings with apps like Zoom and Wave so that new and current students can get to know each other. As for our regular project on offering refreshments to students during exams, we sent "gifticons" (mobile coupons) using Google Forms rather than having students line up for snacks. People said this was much better way to do this, so we plan to stick to it."

"Thank you for your detailed answer. Next, I have questions for Mr. Park. You enrolled this year as a freshman, only to find that college life is nothing like you've imagined due to COVID-19."

"At first, I was really depressed. I had expected to make new friends and enjoy all the fun that college life can offer, but I didn't even get to see the school building. Yet, I was able to use a school community app called Everytime to learn about school life and classes. The app was really useful, especially in the beginning of the semester, as I could join group chats with other incoming students in my department and get information about student activities. Even though we can't physically be at school, we are trying our best to enjoy college life, using apps and sites like ones I just mentioned. Also, I hung out with friends on Wave rather than going outside and physically meeting them. We can meet via a group video call and play games like hidden pictures and escape room. You can also take part in cultural experiences online. Famous Korean boybands like BTS and EXO now have online concerts and fan meetings. I'm very interested in art, so I visited a virtual art exhibition and enjoyed artwork online."

"Sounds like you are making the most of college life in unconventional ways. How do you think the younger generation is coping with the COVID-19 crisis?"

"First, we try not to meet in big groups or go to crowded places like bars and amusement parks. On Instagram, which is the most-used social media platform by young people, we use "staying at home" filters to show others that we are enjoying a safe time at home instead of going out, or join the "thank you challenge" to express our gratitude to the hardworking medical staff. I've also seen friends taking it to the next level and running a fundraiser on the Everytime app to donate to medical centers and the Korea Medical Association. Overall, I think we are very aware of the gravity of COVID-19, and we try to be as careful as we can."

"Though today's interview, we had the chance to meet students who were spending their time in a fun yet safe way despite the changes brought by COVID-19. I hope the virus is put to an end quickly, so that students can take classes at school, meet friends, and enjoy cultural activities."

By Seoyoun Choi
Korea Trade-Investment Promotion Agency (KOTRA)
sychoi@kotra.or.kr

**Note: This article is an imaginary interview based on real-life events.*

South Korea bets on its industrial competitiveness to attract foreign investment

S. Korea to spur digital transformation to attract foreign investment

South Korea is betting on four major technology trends—digital transformation, artificial intelligence, big data, and cloud services—to accelerate the nation's fourth industrial revolution to draw foreign investment, according to panelists and industry experts at Invest Korea Week (IKW).

The online IKW event held last week in Seoul was hosted by the Ministry of Trade, Industry, and Energy (MOTIE) and organized by the Korea Trade-Investment Promotion Agency (KOTRA). Industry experts speaking at the event noted that S. Korea is an attractive investment destination due to its focus on high-tech industries and technologies.

There are so many industries that South Korean companies lead in, such as electronics, automotive, battery, hydrogen, 5G, display, and semiconductor, 3M Korea President Jim Falteisek said.

Invest Korea Head Shawn Chang noted that the country's digital transformation, innovation, and stability will be the growth engines that will help bring investment to Korea.

The Linchpin of Digital New Deal: D.N.A

The Korean government announced in July the Digital New Deal that includes the development of a D.N.A (Data, Network, AI) ecosystem, digital transformation in education infrastructure, non-contact business support and smart S.O.C (social overhead capital).

S. Korea plans to invest approximately KRW 160 trn by 2025 on its New Deal package, allocating KRW 58.2 trn for the Digital New Deal, KRW 73.4 trn for the Green New Deal, and KRW 28.4 trn on the social safety enhancement sector.

D.N.A is the key to reopening in the country in the post COVID-19 era, Chairperson of Presidential Committee on the Fourth Industrial Revolution Yoon Sung-roh said.

The Korean government is always coming up with new ideas and new projects to stimulate and accelerate investments, even though there are still a lot of details that need to be worked out, American Chamber of Commerce in Korea CEO James Kim said.

S. Korea's response to COVID-19: showing possibilities to contain the health crisis without shutting down the economy

Meanwhile, S. Korea's response to the COVID-19 pandemic in the early stages with the 3T (test, track, and treatment) system proved to be quite successful as it was achieved without border shutdowns or lockdowns, the panelists noted.

S. Korea identified the 10-minute COVID-19 contact tracing program which tracks people who might have been exposed to the novel coronavirus, Invest Korea's Chang noted. This virus tracker enables data of COVID-19 patients to be analyzed and provided to health investigators immediately.

South Korea is also an innovator in this regard, introducing a new global standard for containment measures, such as fast food-style drive-through testing stations, he added.

S. Korea, still an attractive destination for global investors

Global foreign direct investment has plummeted in the first half of 2020 amid COVID-19 and is expected to decline 5-10 percent in 2021 with recovery expected by 2022. S. Korea is still very much an attractive investment destination, the industry experts said.

S. Korea's large conglomerates in the oil/gas, leisure, consumer, fashion, manufacturing, and even pharmaceutical sectors are in the process of digitalizing their business for the new normal—that is online, non-face-to-face operations, as reported by Mergermarket in July. In addition, companies in traditional industrial manufacturing and offline-based industries are seeking complementary acquisition targets to digitalize their business.

S. Korea's rapid recovery from the COVID-19 pandemic has minimized the impact on corporate investment and business activities this year relative to other countries. Moreover, alongside solid economic growth, market liquidity and the rise in stock market are providing a sound base for early stage companies, particularly in the technology, healthcare, and business services sectors. South Korea's benchmark KOSPI index has risen 16.5 percent to 2,534 year to date.

Dealmakers expect the global market to rebound and stabilize next year, and ultimately lead to more foreign investment to South Korea.

By SooYoung Kate Park

Senior Reporter/Asia Pacific

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Mergermarket is a subscription-based news wire service catering exclusively to the global investment community. Subscribers include investment banks, PE firms, venture capital groups, law and accounting firms, and other business advisors, as well as corporations of all sizes in all major industries. Mergermarket is based in New York, Hong Kong and London.

New Budget for New Reinvigoration

Korea's 2021 Budget

Almost everywhere, the season for the 2021 budget has arrived. Like others, the National Assembly of Korea is busy reviewing, assessing, and possibly amending the government proposal put on the parliament floor last September. As usual, it would be one heck of a battle between the ruling party and the opposition party in its review, rendering its passage delayed way beyond the deadline, which is 30 days before the beginning of the new fiscal year. But, this year seems to be quite different, expecting a quick passage on two grounds; one being that the COVID-19 pandemic will mandate a fast budgetary resolution as was the case for a series of supplementary budgets last year, and the other being that the ruling party commands an overwhelming 60 percent majority in the assembly, which will stymie any effort by the opposition party at obstructing its passage. Indeed, the opposition party taking up one-third of the seats actually have no power to put a brake on its passage within the deadline of November 30, 2020.

Goal of Next Year's Budget

This time, the goal of the budget is set as "conquering COVID-19 and the realizing grand transformation towards a global leading nation." The total budget plan for 2021 is KRW 555.8 trillion, an increase of 8.5 percent over the year 2020. The biggest chunk of the expenditures is allotted to the health, welfare and work projects, which will consume 36 percent of the total expenditure by an amount of KRW 199.9 trillion. The second biggest slice is the budget for administration and education, which will absorb 28.3 percent of the entire budget of KRW 157.5 trillion. While these two expenditure categories of health, welfare and work as well as administration and education are rather ordinary and routine expenditures, the most conspicuous change in this year's budget plan is the proposal's emphasis being placed on the four budget categories of environment, energy, SOC, and R&D investments.

Emphasis on Environment, Energy, SOC, and R&D

In the energy area, the total budget is KRW 29.1 trillion, 22.9 percent up against last year. In the environment category, the plan's scheduled budget is KRW 10.5 trillion, a 16.7 percent increase over the last year. In the SOC category, the plan ascribes KRW 26.0 trillion, an increase of 11.9 percent, and the R&D sector's total budget is KRW 27.2 trillion, a 12.3 percent rise against 2021. These four spending areas exactly match the top four categories with highest growth rates. All four categories together take up a total of KRW 92.8 trillion, and showed a 15.9 percent increase over a year before.

The budget for various energy projects, increasing 22.9 percent over the year before, is quite understandable under the grand design of the Green New Deal, of which major projects include developing renewable energy and revolutionizing the mobility industry with electricity and hydrogen vehicles. The environment related budget is increased 16.7 percent and its core project is establishing energy efficient smart green cities all across the nation. Also, the government is targeting to refurbish industrial complexes in such a way to drastically reduce carbon emissions compatible to international standards.

All the projects under the budgetary categories of energy and environment are inevitably related with R&D and SOC investments, because many of those projects require building structures, equipment and research. Therefore, it may not be pertinent to classify those four fields separately as to integrate energy, environment, SOC and R&D investments. Indeed, the details of Korean New Deal projects are so intermingled with each other that it is difficult to put in different headings. In that regard, the Digital, Green, Human, and Regional new deals are just different phases or faces of the same entity, requiring a comprehensive look and evaluation, instead of a piecemeal and separate approach.

Implications of the 2021 Budget

The New Deal budget of 2021 is not without challenges as were the case for all the previous years' budget plans. In the time of such a national crisis such as COVID-19, it is legitimate not to be bound by a rigid deficit shackle to provide sufficient minimum vitality to small businesses and the unemployed labor force.

Actually, it is the ultimate mandate for the government to provide such emergency remedies ASAP, and the budget plan contains about KRW 199.9 trillion for that purpose. But the government cannot provide such emergency measures indefinitely. These government measures are for short expediencies. The real task of the government is to revitalize economic competitiveness and productivity. It is strongly believed that the Korean New Deal projects are designed solely for that purpose.

By Professor Se Don Shin

Dean, Sookmyung Women's University

seshin@sm.ac.kr

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ONE-ON-ONE WITH

GUDMUNDUR JONSSON

Head of College
Dulwich College Seoul

Learning Must Go On: Uninterrupted Education amid COVID-19

KOTRA Express talks to Gudmundur Jonsson to hear more about his experience spearheading an international school in Korea as well as the country's COVID-19 response measures to ensure a disruption-free learning environment.

Dulwich College is one of the oldest independent schools in the UK, founded in South London as a boys' school in 1619. Dulwich College International (DCI) was established to bring the Dulwich education to students around the world and is now one of the fastest growing UK independent school networks. In 2010, Dulwich College Seoul (DCSL) opened its doors as the fourth to join the DCI family of schools. The College is made up of 700 students from age 3 to age 18 from over 40 different countries.

Earlier this year, Gudmundur Jonsson was appointed new head of college of DCSL after his time as Rektor (Principal) of the United World College Red Cross Nordic in Norway. Originally from Iceland, Jonsson grew up travelling the world with his parents and siblings. Jonsson studied archaeology at University College London (UCL) and the University of Sheffield, and directed numerous research excavations for UCL, the National Museum of Iceland and University of Cambridge, focusing mainly on the Medieval and Viking Age. Based on his love of music, he also studied at the Reykjavik Academy of Singing and Vocal Arts and the Royal Academy of Music, London as a bass vocalist. He later moved to Belgrade, Serbia where he started teaching music at an international school. He recounts this time as a turning point which has led him on a new pathway as an educator, and he says he hasn't looked back since. Along the way, Jonsson has lived in Italy, China and the United Arab Emirates in a diverse range of educational settings with his wife Katarina and their two children.

In the interview, KOTRA Express covers more on Jonsson's experience living and working in Korea, the country's education environment and how it is handling the COVID-19 pandemic to ensure that learning is uninterrupted.

How did you become interested in Korea?

I have long known of the Dulwich family of Colleges during my time as an educator, having had several friends and colleagues who have worked for various schools across Asia. All of them speak very highly of their experiences and of the deep-rooted commitment to education that is evident across the family.

When I saw the Headship advertised for the College in Seoul, it was immediately attractive, not only in terms of the school but also having the opportunity to go back to East Asia—a part of the world I have always had a fascination for. I was fortunate in being invited to Seoul and to the College as part of my final interview and was hugely impressed by the city and the College.

What about Korea's history/economy/culture appeals to you the most?

I am fascinated by the history of Korea and the fast-paced, dynamic changes this country has undergone over the last century, particularly over the last seven decades. It is nothing short of remarkable how fast the country has moved during this time, and it is easy to forget how recent these changes have been.

Seoul is so organized, clean and safe, with a public transport system that most European cities would be immensely jealous of. Korean food is also very dangerous for my waistline! I love the combination of flavors, textures and colors. Being an educator, I am also keen to learn as much as I can about the Korean education system and the Confucian philosophy that has been an important force in shaping Korean culture.

What are some advantages of Korea's education environment for international schools like Dulwich College?

I can see that Korean families are passionate about education, and there is a deep-rooted respect for the teaching profession. This is refreshing, particularly when you think about the ways in which education seems to have lost some of its importance in many other parts of the world. I have also been very impressed and thankful for the generosity and warm welcome extended to us from all of the people we have met in Korea.

As Head of College, I can see that it is relatively easy to attract high caliber staff to this environment. Korea has so much to offer. As someone who likes the outdoors, Seoul has

Teachers and students engage in online learning as part of social distancing measures following the coronavirus outbreak.
(Photo provided by Dulwich College Seoul)

a diverse range of green spaces that are carefully managed—there is a high degree of care and investment in these public spaces in the city. We also cannot wait to explore the mountains, beaches and islands of Korea.

As an educator, I can see challenges in this context given the pressures some families place on their children to succeed. This can adversely impact the mental health and wellbeing of young people. It is crucial that educators work together with their communities to engage in respectful and mutual dialogue about what is of value in education and the ways in which success can be defined.

Do you work with any Korean gov't agencies, businesses, chambers of commerce, etc. to expand your partnerships?

The College works closely with the educational authorities in ensuring that it operates closely in accordance with all requirements and regulations. We have developed relationships with and supported many chambers of commerce over the years. These relationships are important, not only in maintaining a high profile for the College, but also in developing educational opportunities for our student community and providing community engagement for our families and staff.

We are always on the lookout for new, innovative and exciting opportunities and building new relationships. We are fortunate in having developed world-class facilities on our campus and are always looking at ways in which we can engage with our local community so that these facilities can be fully utilized.

What sort of support do international schools want from Korea?

International private education is highly regulated in the Korean context and we would like to be able to offer our educational experience and expertise to a wider audience. Global education research undertaken over the last two decades has provided evidence to show that a liberalization of education expands choice, improves quality and drives healthy competition and innovation.

As an international school, we have much to offer given our focus on holistic education, innovation and creativity. We are also keen to develop relationships with schools across Korea and to engage with and learn from Korean educators.

Would you consider Korea a safe place for foreign schools to operate, particularly now amidst the COVID-19 pandemic? If so, in what ways?

Absolutely yes! Seoul is one of the safest, cleanest cities I

have ever lived in. The way in which the pandemic has been managed by Korean authorities is simply extraordinary.

It has been fascinating to see how Korean society was so quick to adopt the universal wearing of facemasks, with hand sanitizers on every corner. And to think that facemasks are still being debated in some other parts of the world...

A central focus of the Korean gov't's Digital New Deal policy is making education digital–this entails building a digital learning infrastructure in primary and secondary schools and promoting online classes for higher education and job training. In what ways have you seen this play out, especially as we're currently striving to maintain an undisrupted learning environment in the middle of the pandemic?

The support and guidance the College has received from the educational authorities have been pivotal in guiding us through these challenging circumstances. We have received mandates from the authorities that have changed in accordance with the level of social distancing—this has meant having to operate a blend of online and face-to-face learning, and Korea's IT infrastructure has made it effectively possible to do so.

To be fair, new ways of conducting teaching and learning have indeed presented challenges for our students, parents and staff, but it has been nothing short of remarkable to see how this has pulled our community together and made it stronger. It is also clear that these management strategies as devised by the authorities have been carefully constructed in keeping our communities safe.

By Grace Park
Executive Consultant
Investment Public Relations Team
Korea Trade-Investment Promotion Agency (KOTRA)
gracepark@kotra.or.kr

Students take part in the "Thank You Challenge" to express appreciation for the hard-working medical staff amid the pandemic.
(Photo provided by Dulwich College Seoul)

Trends and Outlook of Korea's F&B Industry:

Evolving into Customized, Contactless Services

The food and beverage (F&B) industry, an integrated form of business involved in all the steps of the business cycle from the point in agricultural production that originates early on in the process, logistics, packaging to food service, which take place after the production phase through to the point of sale, is witnessing positive growth prospects thanks to the recent increase in popularity of Korean cuisine throughout the world.

Customized Food Expansion, Emphasis on Health and Convenience

Amidst the COVID-19-induced economic crisis which has triggered an unprecedented, devastating hit to the economy since the Great Depression in the 1940s, recent changes in the F&B industry such as rising demand for survival food kits or home cooking have driven up the overall sales turnover. With emerging market trends led by demographic change and consumers increasingly looking for more convenient or healthier options, food companies are now working to respond well to changes in demand and livening up the business.

The most significant change seen in the business environment of Korea's F&B industry would be the steep rise in single-person households and aging population. The number of people aged 65 or above as of 2020 is estimated to be nearly 8.13 million, taking up 15.7 percent of the total population. The share is predicted to keep growing, standing at almost 18.2 percent in the year 2023. The same goes for the percentage of Koreans living alone, representing 30.1 percent in 2020. Demographic aging and a higher proportion of the population living alone are forecast to lead to greater demand for foods good for seniors and home meal replacements (HMR).

Even if today's consumers are growing more health-conscious in their food choices, turning toward nutritious options like functional foods while dropping energy intake, a large group of people are increasingly enjoying processed food indulgence on the back of improvement in nutritional quality and its convenient access.

The industry buzzword for 2020 would be undoubtedly HMR, with the market share reported to reach KRW 3.7 trillion as of 2018 and a growth rate of 9.2 percent compared to last year. The size of the ready-meal (usually referred to as pre-cooked food) market has shrunk, while ready-to-cook meals and prepared meal kits have started to gain ground as of recent.

A rise in HMR sales has also fueled the market growth of sauces worth KRW 260 million, up 8.4 percent year-on-year. Sauces specified by recipes, in particular, have shown outstanding sales increase.

The functional foods market size is valued at KRW 2.5 trillion as of 2018. Sales of probiotics (lactobacillus) products and foods containing certain types of ingredients approved by the Ministry of Food and Drug Safety (MFDS) have grown over 30 percent.

Food and distribution industry support with changes in consumption trends

With a comprehensive policy package announced in December 2019 to further stimulate the industry, the Korean government is planning to develop technological applications which could be the next growth driver in the food industry and a list of the best top five food innovations specified below.

The first innovation is a personalized food service based on each customer's dining preferences and biographical details. Medical foods formulated to boost distinctive nutritional needs, senior-friendly foods, alternative foods, pet foods and several others recently in the spotlight could be part of the candidates.

Second, functional foods to promote health and longevity through diet are on the list.

The third entails convenience foods that are produced to optimize the ease of consumption.

The fourth choice is about "green" foods, underscoring consumers' ethical and environmental responsibility.

The last pick is Korean dishes (or K-Foods) worth considering as valuable exports as they've been catching on globally.

Not merely to form an underlying research base and its infrastructure to support the abovementioned five new business, but to help open up and expand market presence, the authorities unveiled a plan to build up the business ecosystem, along with a solid judicial system. Furthermore, they'll advance research capabilities as we approach a new era of the fourth industrial revolution in which information and bio technologies are transforming the way we produce, distribute and consume food products.

With a focus on areas to increase investment in, such as smart farming, agriculture-bio technology, high-quality agro-products, disaster preparedness to cope well with climate change or a pandemic, and technologies to improve the quality of life, the Korean government announced an idea to adopt the concept of open research, which refers to a series of practices that are made accessible to everyone in any stage and sectors of the research process to develop findings.

Expect a new challenge in the overcoming the COVID-19 crisis

The basic needs for human life—food, clothing and shelter—are changing rapidly these days. The fourth industrial revolution has led us to reshape consumption patterns into a completely different way from what they used to be.

The COVID-19 pandemic, in particular, which has brought socio-economic upheaval across the world, is forcing every single economic unit of society to reconsider the way it thinks and behaves.

The most notable change comes from a surge in demand for online, contact-free engagement in our lives where mitigation efforts have become the new norm, fueling the transition to a digital economy.

Shoppers are using mobile apps to order online instead of wandering around offline stores. Companies are giving employees the option to work from home or move away from the traditional thought of assigned office space or hours. It's been an imperative to go digital to be able to keep ahead of the competition.

With the arrival of 5G wireless service, Korea has started to offer 10 gigabit-per-second cable broadband, which is fast enough to download a full UHD movie in less than 30 seconds. These super-fast internet connections are regarded as the fundamental platform to shape up the technologies of the fourth industrial revolution.

At a time when the world is rushing to turn digital, Korea's unrivaled tech-infrastructure will be the key enabler for crisis management and national competitiveness.

By Park, Jungmin
Head, Department of Research Policy, Planning Division
KFRI, Korea Food Research Institute
parkjm@kfri.re.kr

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

National Food Cluster, the hub of the food industry in Northeast Asia

Overview of the National Food Cluster

The construction of the National Food Cluster Support Center has been completed and the center has now gone into operation. The National Food Cluster boasts geographical advantages in terms of logistics and exports as it is located within 50 minutes of major transportation and industrial hubs such as the Gunsan Port, Gunsan Airport, and Saemangeum and has been established with the intention to be the best industrial complex for fostering food companies. Being connected through networks to domestic and foreign research institutes, including the adjacent Daedeok Research Complex, the Sejong Government Complex, and six national research institutes in the Jeonbuk Innovation City, the National Food Cluster is now officially the center of Korea's food R&D. It is a national industrial complex specializing in food R&D established for the purpose of converting Korea's food industry currently based on domestic demand into one more oriented on exports and of laying the foundation for the development of domestic agriculture and fisheries industries, and is expected to be the hub of the food industry in Northeast Asia.

Attraction of Investment to National Food Cluster

The National Food Cluster has introduced an R&D support system based on business demand and plans to provide support to businesses to solve their problems through analysis and research with focus on company-centered community activities and professional coordination functions. It will also continue to take part in and lead international joint R&D efforts to further strengthen the food R&D system. The Cluster will also provide the service of connecting companies based in the Cluster to local producers for stable supply of domestic agricultural products. In order to provide this service, the Cluster will build a system that surveys the demand of companies based in the Cluster for agricultural products and connects them to the relevant local production associations and corporations, etc. In particular, it is planned to link the information system of domestic agricultural production areas with the computer network of the National Food Cluster Support Center so that companies based in the Cluster can easily search for and obtain information on domestic food raw materials. The National Food Cluster Industrial Complex is divided into five zones based on the purpose of us—Industrial Facilities, R&D Facilities, Logistics Facilities, Business Support Facilities and Other Facilities—and each zone allows only companies falling into the types of business (e.g. food manufacturing business, beverage manufacturing business, or other related business) designated for each zone to move in.

Benefits of Moving into the Foreign Investment Zone of the National Food Cluster

Foreign companies moving into the Foreign Investment Zone are eligible for reductions in national taxes, including the corporate tax and income tax, and for exemptions of certain local taxes, including the acquisition tax and property tax. Tariff exemptions are granted only for capital goods, and if certain requirements are met, they are eligible for a reduction in land rents and provision of employment subsidies and education and training subsidies. Moreover, the personnel management staff of the Support Center, the District Employment Office, Iksan-si, universities and companies will form a personnel sourcing council to provide personnel sourcing services to the foreign companies. Employment subsidies are provided under the co-employment support project of the Support Center and the concerned institution of the Ministry of Employment and Labor for up to one year for each employee and up to four years for a company.

**For more information on the National Food Cluster, please visit www.foodpolis.kr.*

Map of South Korea

Source: Foodpolis, www.foodpolis.kr

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, KOTRA Express introduces some outstanding companies in Korea's food industry.

COMPANY A

Premium handmade cake

Investment Requirement		Company Profile	
Amount	USD 5 million	**Patents and Certificates**	10 trademark rights and 2 design rights registered or applied for in Korea and China
Investment Structure	All available	**Financial Performance**	(Sales) USD 18.16 million (in 2016, Unaudited)

Investment Highlights

The company offers a food safety assurance system that certifies food products, which are strictly evaluated by the Ministry of Food and Drug Safety, meets certain criteria. The company is the first HACCP-certified company in the field of fresh cream cake in Korea.

COMPANY B

Sealing machines

Investment Requirement		Company Profile	
Amount	USD 1 million	**Patents and Certificates**	Registration of (and application for) 23 patents and utility model rights including a patent for a device that prevents the deformation of a steaming pack
Investment Structure	Minority	**Financial Performance**	(Sales) USD 11.12 million (in 2017, Audited)

Investment Highlights

The HMR market is rapidly growing because of the steadily increasing number of dual income and single person households resulting from the increasing number of economically active women. These changing demographic and social conditions as well as consumption patterns will allow the domestic HRM market to grow from KRW 3 trillion in 2017 to at least KRW 5 trillion in 2020. In the future, the HMR market is expected to further expand because the products will be diversified and nutrition will be complemented to meet consumers' needs

COMPANY C

Auto IH Work

Investment Requirement		Company Profile	
Amount	USD 5 million	**Patents and Certificates**	Application for 3 domestic patents and one trademark, including automated kitchen equipment and systems
Investment Structure	Financial investment, (Minority)	**Financial Performance**	(Sales) N/A

Investment Highlights

The company has opened a restaurant in Korea equipped with an automated kitchen, where processes from cooking to washing are automated, by developing Auto IH Wok, an Internet of things (IoT) based automatic stir-frying machine. This ensures consistent and high-quality cooking, reduced labor costs and a sanitary kitchen. In addition, the company is also developing a fully automated food truck, where the entire kitchen operation, from cooking to delivery, is operated by artificial intelligence (AI)–based systems.

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

Sujebi

A Spirit of Sharing

From a luxurious food only available to the rich to an ordinary food for everyone, sujebi hand-pulled dough soup has become one of the most popular comfort foods on rainy days. Rustic pasta in a bowl of hot briny broth warms one's body and soul. When it gets chilly and you need some warmth around you, there is nothing better than sharing a meal from a common pot with your loved ones.

Sujebi: Hand-Pulled Dough Soup, Food for All

The word sujebi comes from the words "su" and "jeobi," meaning "hands" and "to fold," which was developed into today's word sujebi. This makes sense when you look at how the food is made, where the core ingredient is handmade noodles. The rustic pasta pulled by your hands, makes not only the taste better, but cooking more fun and dynamic.

Since wheat flour was hard to get for commoners back in the olden days, sujebi was only served on special occasions, like banquets or birthdays. However, as flour became more common, sujebi is now an ordinary food for everyone. In fact, it's one of the easiest and fastest foods you can make at home. A lot of variations can be found, depending on the region. While flour is most commonly used for the dough, other locally grown ingredients, such as potatoes, buckwheat or acorns, have also been adopted in different parts of Korea.

This hearty and wholesome comfort food will help beat the cold and warm you up when it gets chilly outside, as the fall winds down into winter. Enjoying the various textures in a bowl of hot broth is truly a food for the soul.

Bringing It Back Home

"When I first came to Korea in 2013, I regretted not having been able to learn more about Korean culture. However, this time, I promised myself that I would bring home something valuable from Korea and share it with my family and community. I know food is a great way to do that, so I'm very excited." Mahmood and Wejdan are a husband-wife pair from Jordan. Since they rarely had the chance to learn or cook Korean food, they were excited to learn more about Korean cuisine, which they believe will help them get closer to Korean culture.

They found it interesting that, while living in Korea, they could always see things that were similar to their own society. The concept of eating a meal from a common pot in the middle of the table is one of them. Sujebi is a good food to be shared, all eaten together from the common pot, just as are many foods in Jordanian cuisine.

Meticulous Care for a Core Ingredient

The first thing we did was to mix flour, salt and water and let it sit for half an hour to make pasta dough. This process gives a nice texture to the pasta and makes it a bit chewier. For the broth, we used dried anchovies and kombu. If you want to make your soup completely vegan, you can simply use kombu instead of some other seafood base. First, cook the anchovies a little until the moisture is gone. Then add cold water and the kombu to the same pot. Since these first steps determine the taste of the broth, meticulous care is required in this process. "This broth is actually used as a base for many types of Korean foods," the instructor explains. "If you have this on-hand, you're 50 percent ready to make any Korean soup." When it comes to boiling, turn it down to simmer it on the lowest setting for another 10 minutes or so. While waiting for the perfect broth, we prepared the other ingredients. The main ingredients are easy to get anywhere. They include potatoes, zucchini and green onions. Depending on one's taste, you can either blend the potatoes or cut them in big chunks. We chose to make big cubes this time, since it's more fun to eat.

When the pasta dough was finally ready, we grabbed a ball of dough and rolled it to flatten it. Wejdan and Mahmood competed with each other, wildly tearing off pieces of dough, laughing together. "I think even our 1-year-old daughter, Alma, would enjoy making these dough balls." These paper-thin disc pastas were dropped directly into the boiling broth that was simmered and ready. When all the ingredients are finally in the pot, green onions and zucchini were added at the end, since you don't want them to get too mushy. For seasoning, add a pinch of salt or soy sauce to your liking. When the noodles float to the top, that means it's ready to be served.

Wejdan and Mahmood take an overflowing spoonful, brimming with all the ingredients in the soup. "The combination of chewy pasta, potato and crunchy veggies is so amazing," adds Wejdan. She really liked the harmonious texture of the ingredients. "The broth is so unique. It's got a deep taste that is perfectly briny." Mahmood also adds after he takes one bite. Both were happy with their first attempt at cooking Korean food and are excited to make it for their family when they get back home.

Good food has a way of bringing families together. Regardless of where we are from, we seem to agree on the value of spending time with our family. Sikgu is family in Korean, which is literally translated as members who share meals and live together. This shows how much it means to have meals together as a family. In the hectic lives we live these days, this feels even more precious. Bring a sujebi recipe home, and you will appreciate the spirit of sharing with your loved ones.

Sujebi Recipe:

Ingredients: 2 potatoes, 0.33 zucchini, 0.5 stalk green onion, 20 dried anchovies, 1 slice of kombu, 1 liter water, 2 tablespoons of soy sauce, a pinch of salt (150 grams of clams can be added to the broth additionally)

Ingredients for noodles: 2 cups of flour, 1 to 1.25 cups of water, a pinch of salt

Source: "Sujebi: A Spirit of Sharing" by Lee Hwa-jeong, Photographed by Studio Kenn, KOREA (October 2018), Korean Culture and Information Service (KOCIS)

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

Service businesses eligible for tax reduction/exemption in a free economic zone

Q. Is a foreign-invested company operating a service business such as an engineering business within a free economic zone eligible to apply for tax reduction or exemption?

A. A foreign-invested company is eligible for tax reduction or exemption as long as the foreign investment amount is USD 10 million or more and the company establishes a new facility to operate a service business.

Additional information

- Service businesses eligible to apply for tax reduction/exemption within a free economic zone
  - A company operating the following businesses can apply for tax reduction/exemption, provided that the company's foreign investment amount is USD 10 million or more and the company establishes a new facility within a free economic zone (businesses additionally added to the list of businesses eligible for application for tax reduction/exemption on Feb. 2, 2012).
    - Engineering business
    - Telecommunications business
    - Computer programming and system integration and management
    - Information service business
    - Other science technology service business
    - Movie, video and broadcasting program production businesses; movie, video and broadcasting program production service businesses; recording facility operating business; music and other audio publication business
    - Game software development and supply business
    - Performance facility operating business, performance group, other creative and art related services

*If you have further questions please contact +82-1600-7119 or visit **www.investkorea.org** >>How We Can Help >> Online Consulting.*

Invest Korea Plaza (IKP)

Invest Korea Plaza (IKP) is Korea's first facility dedicate to the incubation and investment of foreign investor. Each year, more than 40 foreign-invested companies rent out offices in the plaza and utilize IK's one-stop service.

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

IKP Offices for Lease

Foreign-invested companies

Companies planning to notify investment: Those who expect to report foreign direct investment of which the arrived amount is over USD 100,000 within 1 year of move-in.

IKP Occupancy Procedure

Counseling in occupancy → Application for occupancy → Screening committee evaluates application → Result notification(result confirmed in 1-2 weeks) → Conclusion of lease contract → Move into IKP

Other IK Services

Foreign Investment Ombudsman

The Office of Foreign Investment Ombudsman is an organization established in 1999 to provide close aftercare support and grievance resolution services for foreign-invested companies, and is dedicated to resolving any difficulties that foreign-invested companies face while doing business in Korea.

One-Stop Service for Foreign Investors

The Inbound Investment Consulting Department not only assists foreign investors and foreign-invested companies in the investment review and implementation stage, but also offers customized services to help foreign investors and their families get comfortably settled in Korea.

Invest Korea Market Place (IKMP)

IKMP is a project aimed at discovering promising Korean SMEs seeking to attract foreign investment and matching them with foreign investors who have compatible needs. Projects looking for investment are posted on our website at *www.investkorea.org*.

Job Fair for Foreign-Invested Companies

IK organizes annual job fairs to help foreign-invested companies discover qualified local talent, and job seekers find employment through job consultations, on-site interviews, and more.

*The 15th Job Fair for Foreign-Invested Companies 2020 is taking place from Nov. 23-27 online for the first time. Please contact jf@kotra.or.kr for more information.

KOTRA's Overseas Network

KOTRA has 127 overseas offices and 10 headquarters worldwide

Southwest Asia
Tel: (91-124)4628-500
E-mail: ktcdelhi@ktcdelhi.net
Ahmedabad, Bengaluru, Chennai, Colombo, Dhaka, Karachi, Kolkata, Mumbai, New Delhi

Southeast Asia & Oceania
Tel: (84-24)3946-0511
E-mail: kotrahanoikbc@gmail.com
Auckland, Bangkok, Danang, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, Manila, Melbourne, Phnom Penh, Singapore, Surabaya, Sydney, Vientiane, Yangon

Japan
Tel: (81-3)3214-6951
E-mail: kotratky@kotra.or.jp
Fukuoka, Nagoya, Osaka, Tokyo

China
Tel: (86-10)6410-6162
E-mail: pekktc@kotra.or.kr
Beijing, Changsha, Chengdu, Chongqing, Dalian, Guangzhou, Hangzhou, Hong Kong, Nanjing, Qingdao, Shanghai, Shenyang, Shenzhen, Taipei, Tianjin, Wuhan, Xiamen, Xian, Zhengzhou

CIS
Tel: (7-495)258-1627
E-mail: info@kotra.ru
Almaty, Baku, Kiev, Minsk Moscow, Novosibirsk, Saint Petersburg, Tashkent, Ulaanbaatar, Vladivostok

Europe
Tel: (49-69)2429-920/9
E-mail: frankfurt@kotra.or.kr
Amsterdam, Athens, Beograd, Bratislava, Brussels, Bucharest, Budapest, Copenhagen, Frankfurt, Hamburg, Helsinki, London, Madrid, Milan, Munich, Paris, Prague, Sofia, Stockholm, Vienna, Warsaw, Zagreb, Zurich

Middle East
Tel: (971-4)450-4360
E-mail: ktcdxb@emirates.net.ae
Alger, Amman, Baghdad, Cairo, Casablanca, Damascus, Doha, Dubai, Istanbul, Kuwait, Muscat, Riyadh, Tehran, Tel Aviv, Tripoli

South America
Tel: (52-55)5514-3173
E-mail: mexico@kotra.or.kr
Asuncion, Bogota, Buenos Aires, Caracas, Guatemala, La Habana, Lima, Mexico, Panama, Quito, Santiago, Santo Domingo, Sao Paulo

North America
Tel: (1-212)826-0900
E-mail: kotrany@hotmail.com
Atlanta, Chicago, D.C., Dallas, Detroit, Los Angeles, New York, Silicon Valley, Toronto, Vancouver, Washington

Africa
Tel: (27-11)784-2940
E-mail: kotra@kotra.org.za
Abidjan, Accra, Addis Ababa, Dar es Salaam, Johannesburg, Khartoum, Lagos, Maputo, Nairobi

KOTRA's Investment Support Offices

ASIA & OCEANIA
Melbourne, Australia
Tel: (61-3) 9860-0500

Sydney, Australia
Tel: (61-2) 9264-5199

Beijing, China
Tel: (86-10) 6410-6162

Guangzhou, China
Tel: (86-20) 2208-1600

Hong Kong, China
Tel: (852) 2545-9500

Qingdao, China
Tel: (86-532) 8388-7931

Shanghai, China
Tel: (86-21) 5108-8771/2

Fukuoka, Japan
Tel: (81-92) 473-2005

Nagoya, Japan
Tel: (81-52) 561-3936

Osaka, Japan
Tel: (81-6) 6262-3831

Tokyo, Japan
Tel: (81-3) 3214-6951

Singapore
Tel: (65) 6426-7200

Taipei, Taiwan
Tel: (886-2) 2725-2324

EUROPE
Vienna, Austria
Tel: (43-1) 586-3876

Brussels, Belgium
Tel: (32-2) 203-2142

Copenhagen, Denmark
Tel: (45) 3312-6658

Paris, France
Tel: (33-1) 5535-8888

Frankfurt, Germany
Tel: (49-69) 2429-920/9

Hamburg, Germany
Tel: (49-40) 3405-740

Munich, Germany
Tel: (49-89) 2424-2630

Milan, Italy
Tel: (39-02) 79-5813

Amsterdam, Netherlands
Tel: (31-20) 673-0555

Madrid, Spain
Tel: (34-91) 556-6241

Stockholm, Sweden
Tel: (46-8) 308-090

Zurich, Switzerland
Tel: (41-44) 503-5300

London, UK
Tel: (44-20) 7520-5300

MIDDLE EAST
Dubai, United Arab Emirates
Tel: (971-4) 450-4360

NORTH AMERICA
Toronto, Canada
Tel: (1-416) 368-3399

Vancouver, Canada
Tel: (1-604) 683-1820

Chicago, USA
Tel: (1-312) 644-4323

Dallas, USA
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