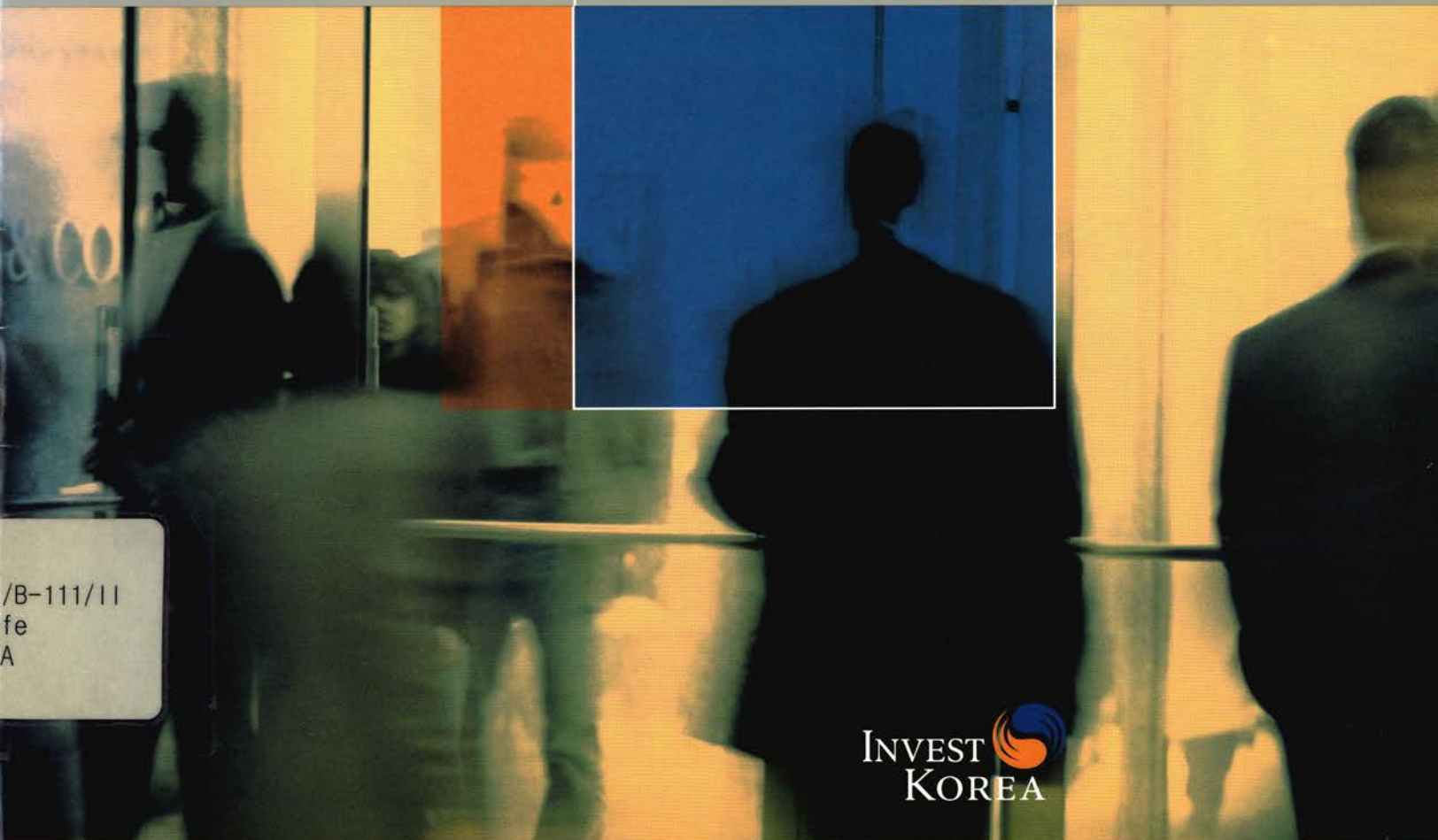


Your Solution
to Achieving Business
Success in Korea

INVEST KOREA



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INVEST KOREA

Our Vision & Mandate

Invest KOREA is the Korean national investment promotion agency (IPA), established with the sole purpose of facilitating the entry and successful establishment of foreign business into Korea. Nor does our involvement halt there, since our agency delivers an extensive post-establishment service designed to promote the rapid settlement of foreign corporates in Korea and ensure they maximize the benefits of the Korean investment environment to the fullest extent.

The scope of our activities on behalf of foreign business ranges from business consultation, market research and partner searches to accessing grants, administrative processing and resolving difficulties with government and mediating in labor disputes.

Invest KOREA is dedicating to providing the kind of comprehensive, seamless, one-stop service that allows foreign investors to put roots in Korea and join the thousands of others who are operating successfully and profitably here.

Our Success is Your Success

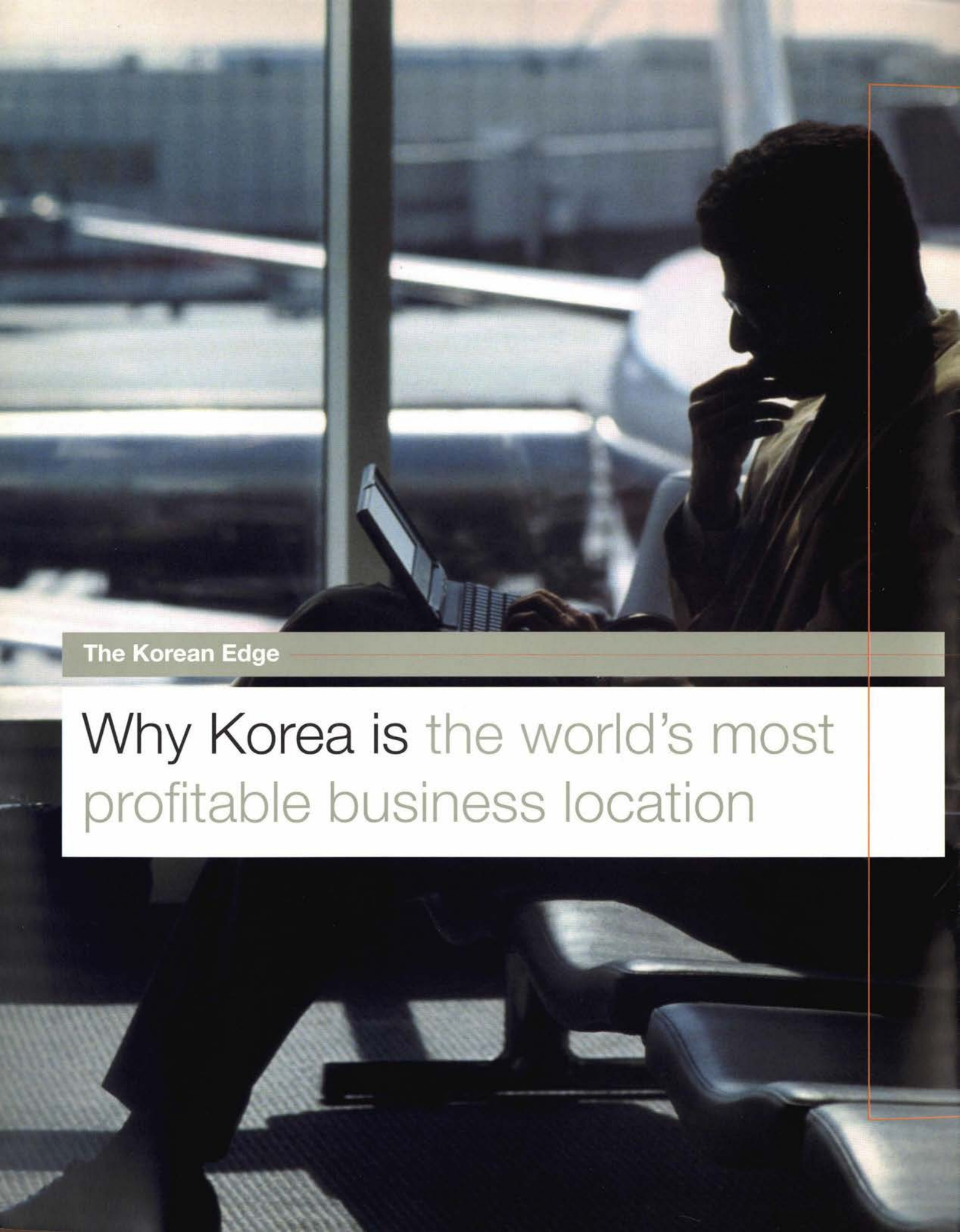


Who & What We Are Invest KOREA is the new name of the Korea Investment Service Center (KISC), which was established in 1998 as part of a radical liberalization of the Korea investment regime under the Foreign Investment Promotion Act of the same year. Major recent revisions to the Act empower Invest KOREA to act as far a more efficient, practical and integrated investor service.

Who Makes Our Agency Work Invest KOREA is staffed with KOTRA employees who have extensive expertise and experience in supporting inbound foreign direct investment (FDI), public servants from other related government agencies, and experts from the private sector in fields such as accounting, law (including tax and labor law), as well as mergers and acquisitions (M&A). Invest KOREA personnel have become progressively more specialized to meet the increasingly more particular needs of our clients. Accordingly, the agency's staff will be bolstered by specialists from specific industrial sectors to provide faster and accurate investment-related services to foreign investors as determined by need.

Where We Are From our head office in Seoul, Invest KOREA operates a network of 36 overseas branch offices located across five continents in the major financial and decision-making centers of the world. Truly, we may say we are on the doorstep of the globe's major investors wherever they might be to act as their proxies in locating in Korea offer a superlative service to ensure that their investment plans are executed to the letter without hinderance or delay.





The Korean Edge

Why Korea is the world's most
profitable business location



“Korea has many talented workers with higher education. Its labor cost is only one-third of that of Japan but it has the same developmental potential as Japan. Moreover, Korea has the best infrastructure in the world.”

-Nobuya Takasugi, Chairman & CEO, Fuji Xerox Korea

137,000	137,000	137,000
140,000	140,000	140,000
89,678	89,678	89,678
117,451	117,451	117,451
74,637	74,637	74,637
70,400	70,400	70,400
84,015	84,015	84,015



Huge Consumer Markets

The domestic Korean market amounts to 48 million consumers. Korean consumers have a huge and growing appetite for goods. Consumer spending amounted to \$301 billion in 2002, and consumption per capita was \$7,532 in 2002, placing Korea well ahead of most other Asian nations in the two categories. The Korean economy is equivalent to 80 percent of the total output of all ASEAN member countries and nearly 36.4 percent of the Chinese economy, even though Korea's population is a mere 3.2 percent of China's.

Lying between the two giant markets of China and Japan, Korea serves as the gateway to the huge markets of Northeast Asia that currently account for 22 percent of world GDP. Northeast Asia is emerging as a distinct economic bloc on a par with the United States and the European Union. The region boasts over 1.5 billion consumers characterized by rising income levels, market savvy and rising expectations.



A Strategic Location

Because of its advantageous geographical location at the heart of Northeast Asia, Korea is emerging as the logistical center of the entire region.

The country has a powerful attraction for foreign multinational corporations because its sophisticated and extensive logistical infrastructure provides highly efficient and reliable air, land and sea transportation links to Asian and world markets. Major Northeast Asian cities such as Tokyo, Beijing, Osaka, Shanghai and Hong Kong are located within a 3-hour flight radius of Seoul.

Quality Human Resources

Korea's labor force has gained a well-earned reputation for its high productivity, diligence and skills. The Korean adult literacy rate of 98 percent is one of the world's highest. Over 97 percent of the labor force possess college education or vocational training backgrounds.

The World Competitiveness Yearbook 2003 published by IMD, states that the per capita GDP of US\$32,332 produced by Korean industrial workers is far higher than those of other Asian countries. This is a key factor in the high profitability of foreign-invested companies.



The Korean Edge

Where top corporates
connect to the future

"I think today if you were living in Seoul you would find it very similar to living in New York, London or Singapore. So it's very, very exciting, cosmopolitan and dynamic city."

-William C. Oberlin, President, American Chamber of Commerce in Korea

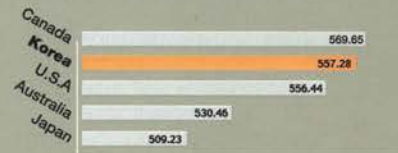
Strong Industrial Competitiveness

The powerhouses of Korean economic growth are its world-leading industries - automobiles, shipbuilding, semiconductors, petrochemicals and steel. Their rise has been based on a well-balanced industrial structure, producing a broad range of goods from high-tech to intermediates to consumables. Such diversification provides foreign-invested companies with excellent opportunities for value creation through strong forward/backward linkages with the Korean industries that claim high shares of world markets.

Advanced Information/Communications Infrastructure

Korea is a wired society, boasting of one of the world's greatest Information Technology (IT) infrastructures. Korea had the highest broadband Internet subscription rate among the OECD countries in 2002, while the overall Internet penetration rate of 55.7 percent ranked second in the world. Korea was the first country to commercialize CDMA (Code Division Multiple Access) technology, and plays a leading role in the development of CDMA applications worldwide. Korea's 68-percent mobile phone penetration rate is one of the world's highest. What's more, Koreans enjoy the lowest telecommunication rates in Asia.

New product lead times are extremely short in Korea, while Koreans' interest in new products is very high. Korea is therefore one of the best markets to introduce new products. By extension, the country also serves as an ideal test-bed for new information technology applications and marketing strategies.



Number of Internet Users per 1,000 Persons, 2002
Source: IMD, "World Competitiveness Yearbook, 2003"



Broadband Penetration, 2002
Source: ITU, "World Telecommunication Indicator"

FDI-friendly Policies

Some 13,228 overseas companies were invested in Korea as of March 2003. They include 45 percent -223 in total- of the Fortune Global 500 and all of the world's top 20 corporations. Moreover, the ratio of net profit to sales among foreign-invested companies in Korea is far higher than that of domestic companies.

Among the many reasons why international companies choose Korea as an investment destination are the array of incentives that the Korean government offers, some of the most generous in the OECD. Any given package of incentives so awarded has a significant impact on an investor's "bottom line."

Financial incentives include reductions/exemptions of corporation, local, and income taxes. Korea will also introduce a cash grant program to encourage investment in high-tech industries judged to have broad economic impact.

In 2003 Korea designated three Free Economic Zones (FEZs) where, in addition to major financial incentives, the government has pledged to create an international business and living environment for international corporates and their expatriate personnel.



"We can confirm that our sales per store in Korea are generally higher than in other Asian countries."

-Raul Pojer, Expansion Director, Carrefour Korea

Our business is helping you do business in Korea

Invest KOREA offers a comprehensive service to meet
the foreign investor's every need

*Here's how Invest KOREA helps international corporations
establish and operate successfully in Korea*

- Researching and providing information on Korean markets and industries to help investors formulate investment feasibility studies
- Assisting investors to identify emerging investment opportunities
- Providing advice on legal, taxation and accounting matters
- Advising investors on how to take advantage of cash and tax incentive programs, including the Foreign Investment Zone (FIZ) and Foreigner-exclusive Industrial Complex (FEIC) systems
- Matching foreign investors with potential joint venture and M&A partners
- Offering a one-stop service for all procedures pertaining to the investment process from investment registration to factory establishment
Invest KOREA will also act as a proxy on behalf of investors overseas in all investment-related administrative matters
- Determining the optimal location in Korea for foreign-investment projects and provide all necessary support for its establishment
- Liaising between foreign investors and relevant governments, institutions and local companies, and arranging meetings between them as necessary
- Arranging visa extensions
- Helping foreign corporate personnel in matters of day-to-day life in Korea such as healthcare, schooling and accommodation
- Resolving difficulties experienced by foreign investors in the course of doing business in Korea through the Office of the Investment Ombudsman (OIO)

“We’re very grateful to the Ombudsman and I would recommend to any foreign company who has a problem to go to them because they will receive a very positive reception and a superb level of assistance.”

-Sylvain C. Garnaud, President & CEO, Lafarge Halla Cement

Office of the Investment Ombudsman (OIO)

The trusted and sure way to resolving business difficulties of a non-commercial nature

The Office of the Investment Ombudsman (OIO) has helped hundreds of foreign-invested companies overcome myriad obstacles they have encountered in the course of doing business.

The nature of the problems that the Office has helped resolve on behalf of its clients cover a wide range of topics. They vary from obtaining planning permission, removing embargoes and helping investors qualify for benefits, to bringing the full weight of the government to bear in assisting disputing parties arrive at a satisfactory conclusion.

Under the recent amendments to the Foreign Investment Promotion Act, Office officials will work in close conjunction with those of the National Police Agency and the Ministry of Labor to reach a mediated resolution to labor disputes “on the ground.”

In all cases where the Office is asked to intervene, a specialist “Home Doctor” is designated to provide one-on-one service to the client until the difficulty in question is resolved.

The Project Manager

The key figure in the delivery of our one-stop service

For each potential foreign investment project, Invest KOREA will designate a Project Manager who will work closely with the investing client to ensure the seamless completion of the investment process and render a total level of support at all stages, from initial contact to company establishment.

As a trial case in 2002, Invest KOREA designated a Project Manager to assist Scania of Sweden with all the administrative procedures associated with its investment at the Jinsa Local Industrial Complex. As a direct result of the Manager’s efforts, Scania received all necessary business permits 15 days after the initial request was made.

On-line Consulting & Service

Help is just a click away

Digital Invest KOREA, the Invest KOREA Web site provides a wealth of detailed information on investment in Korea and also offers an extensive on-line consulting service for interested investors. Browse at <http://www.investkorea.org> to learn more.

Seize the future
Connect with Korea



The Invest KOREA global network is at your service

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