

Media Factsheet

For Immediate Release

SBF Overseas Market Workshop to Korea

1. Significance of the Korea market

The economy of Korea is the 4th largest economy in Asia and the 10th largest in the world. As one of Singapore's top ten trading partners, Korea was Singapore's 7th largest trading partner in 2022. Total merchandise trade in 2022 was S\$70.9 billion, a 26% year-on-year increase. This amounts to 5.2% of Singapore's total trade with the world. Korea has demonstrated rapid economic growth over the last four decades to become a high-tech industrialised economy and her Gross Domestic Product stands at an approximate of US\$34,767 per capita¹, as of 2023.

According to the SBF's National Business Survey 2022/ 2023, within Asia, 23% of these companies (N=690) have presence in Korea, and 16% of them (N=604) indicated an interest in expanding into the country.

Since the launch of the GlobalConnect@SBF programme in November 2019, SBF has provided 159 advisories to businesses keen in expanding into Korea and facilitated five projects, where companies successfully ventured into Korea.

2. Details about Overseas Market Workshop (OMW) to Korea

Organised by Singapore Business Federation (SBF) and supported by Enterprise Singapore, this OMW will take place between 15 to 19 May 2023. A delegation of 20 senior business representatives from 16 companies will be visiting renowned Korea companies such as the Naver, SK Telecom, CJ Logistics, Daejeon Smart City, Hyundai Heavy Industries and Muhak Brewery in Korea to learn more about the country's latest innovation and digitalisation developments and gain first-hand knowledge of how businesses from Singapore and Korea can be more actively involved in their pursuit of innovation.

1. Source: Statista; <https://www.statista.com/>
2. <https://www.bloomberg.com/news/articles/2021-02-03/south-korea-leads-world-in-innovation-u-s-drops-out-of-top-10#xj4y7vzkg>

They will also participate in networking sessions with member companies from Daedeok Innopolis Venture Association, with Korean businesses as well as Singapore companies operating in Korea.

There would be a “Welcome to Korea Business Seminar” held on 15 May 2023 to provide Singapore companies an overview of business environment in Korea and support them in gaining a competitive edge in innovation and digitalisation. This seminar would take place via a hybrid format- physically in Seoul, South Korea and live streamed to registered participants at SGT 8.45am on that day.

The seminar would include a welcome address by Ms Annie Wang, Executive Director of Global Division 2, SBF, presentation by Mr Tan Weiye, Regional Director (Korea), Enterprise Singapore on Enterprise Singapore’s role in supporting Singapore companies in the Korean market, as well as presentations by Ms Choi YoungEun, Manager of Invest Korea on Korea Market Overview - Major Industries and Business Opportunities; Mr Bonhi Gu, Director of Invest Seoul on In-market Regulations and Supportive Programmes in Seoul; Ms Eungyu Park, Commercial Partnership Director of Rainmaking, on “Overview of Innovation and Technology Development in Korea” and Mr Michael Sim, General Manager, JustCo South Korea, on “The Future of Workspace”.

3. Quote by SBF Spokesperson

Ms Annie Wang, Executive Director of Global Division 2, SBF said, “Republic of Korea is a true powerhouse in the world of innovation and digitalisation, and its accomplishments speak for themselves. For six consecutive years, the country has been ranked number one in Bloomberg’s innovation index², a testament to its unwavering commitment to fostering a culture of creativity and advancement. The country’s well-established conglomerates are paired with a robust start-up ecosystem, making it an ideal place for entrepreneurs to bring their ideas to life. It is timely for Singapore companies to learn from the leading Korean companies, establish firm partnerships, and bring their innovation efforts to the next stage of growth.”

4. List of participating companies

No	Name of Company	Name of Participant	Designation	Sector

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2. <https://www.bloomberg.com/news/articles/2021-02-03/south-korea-leads-world-in-innovation-u-s-drops-out-of-top-10#xj4y7vzkg>

1	Armstrong Industrial Corporation Limited	Liew Chiat On	Managing Director, China Operation	Manufacturing
2		Eugene Ong	Group Vice President, Corporate Development	Manufacturing
3	BIPO (ASIA) Pte Ltd	Mok Kai Lynn	Corporate & International Relations Director (APAC)	Professional, Scientific & Technical Activities
4	Eureka Translations Pte Ltd	Richard Tan Sin Ger	Director	Administrative & Support services
5	Horan Engineering Pte Ltd	Julie Tan Soh Hoon	Director	Construction
6	JGL Worldwide (SG) Pte Ltd	David Hia Chun Yong	Chief Operating Officer	Transport, Storage & Logistics
7		Daniel Lim Hak Leng	Chief Executive Officer	Transport, Storage & Logistics
8	JT Legal LLC	Joshua Tan	Managing Director	Professional, Scientific & Technical Activities
9	KinderWorld International Group Ltd	Choy Keng Hsing, Edwin	Deputy Director, Corporate & Business Development	Education, Health & social Services
10		Stefan Gerard Tan Hsien Ma	Chief Sustainability Officer	Education, Health & social Services
11	Mainspring Technology Pte Ltd	Liew Wei Han	Founder	Information and Communications
12	NGarde Ventures Pte Ltd	Ivan Ng Wei Chean	CEO	Finance & Insurance
13	Northmod Pte Ltd	Jon Sim Eng Peng	Senior Manager (Investment)	Finance & Insurance

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14	OKH Holdings Pte Ltd	Lock Wai Han	CEO	Real Estate Activities
15	Paw Leck Engineering Pte Ltd	Wayne Ang Wee Chien	Manager	Manufacturing
16	Poh Tiong Choon Logistics Limited	Poh Kay Leong	Group Deputy CEO and Group CIO	Transport, Storage & Logistics
17	Silver Dragon Resources Singapore Pte Ltd	Teng Cheng Hong Roy	General Manager	Wholesale and Retail Trade
18	Taknet Systems Pte Ltd	Tan Yew Khim	Director	Information and Communications
19		Anne Gan Chai Bee	Marketing Manager	Information and Communications
20	The Straits Trading Company Limited	Chiang Joon Arn	Head, Investment	Finance & Insurance

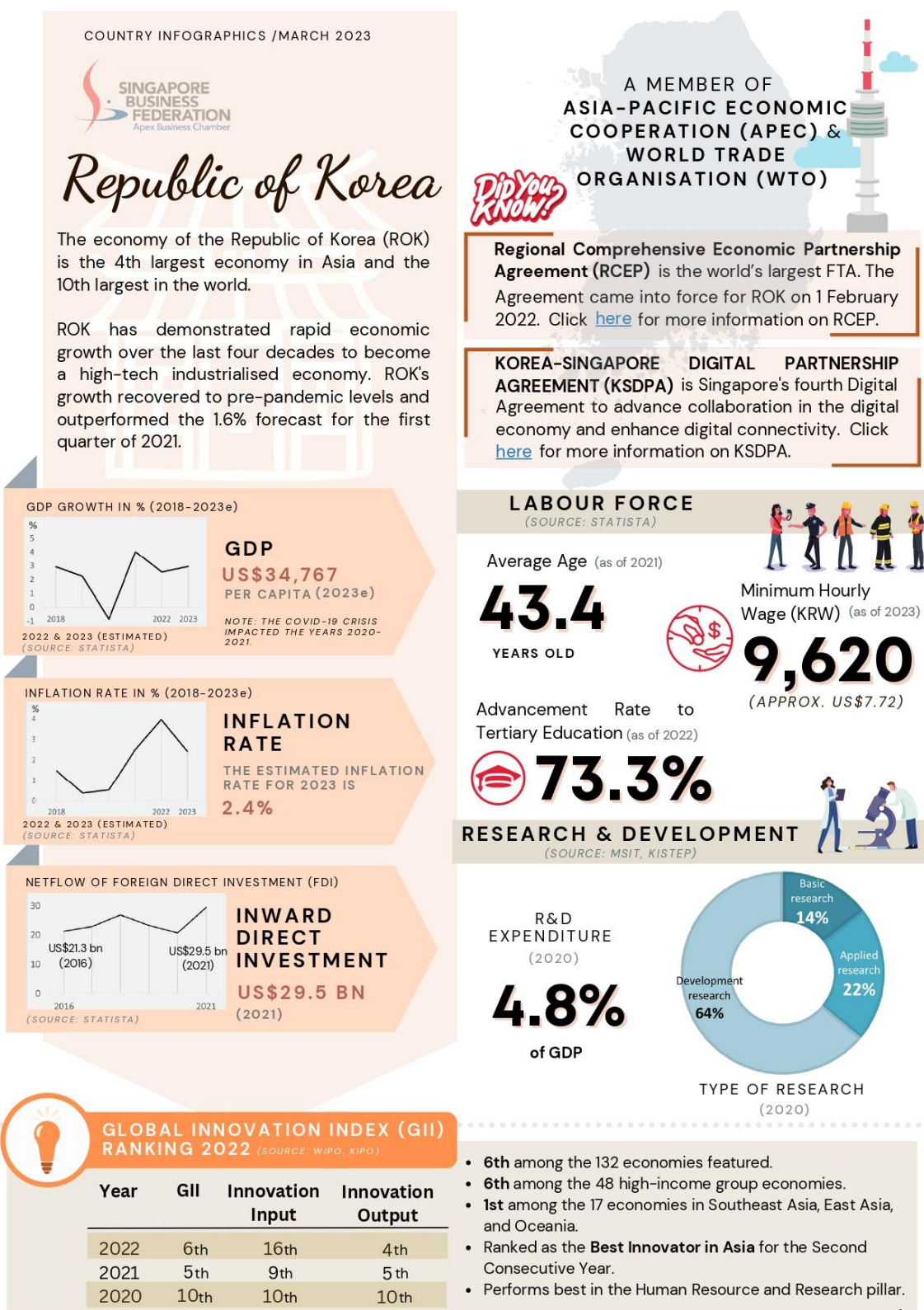
About Singapore Business Federation

As the apex business chamber, the Singapore Business Federation (SBF) champions the interests of the business community in Singapore in trade, investment and industrial relations. Nationally, SBF acts as the bridge between the government and businesses in Singapore to create a conducive business environment. Internationally, SBF represents the business community in bilateral, regional and multilateral fora for the purpose of trade expansion and business networking.

For more information, please visit: www.sbf.org.sg

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Annex A- Infographics of Korea



- Source: Statista; <https://www.statista.com/>
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SECTOR HIGHLIGHTS

(SOURCE: STATISTA)

GENERAL MANUFACTURING

In 2020, there are **585,150** small and medium-sized (SMEs) operating in the manufacturing sector.

In 2021, the GDP produced from the manufacturing sector amounted to approximately KRW516.5 trillion. Based on export value, the leading manufacturing industries were :

- Semiconductor industry
US\$128 billion
- Automobile industry
(including automobile parts)
US\$69.2 billion
- Petrochemical industry
US\$55.1 billion



FOOD & BEVERAGE (F&B)



Revenue size
(in trillion)
KRW188.83
(as of 2021)

Products that are easy to distribute and access led the exports, such as instant noodles, kimchi, and seasoned seaweed.



The most produced food or beverage in 2021 was ready-to-eat or convenience foods with over 4.8 million tons manufactured.



The largest export in 2021 was oil-fried noodles, with over US\$786 million worth exported over the year.

BUILT ENVIRONMENT



Construction Sector
KRW86trillion
(as of 2022)

In 2021, there were approximately 232,400 construction permits (excluding overseas orders of South Korean companies).

In 2021, there were around 4.58 million residential buildings, and around 1.34 million commercial buildings.



OPPORTUNITIES IN OTHER SECTORS

Retail

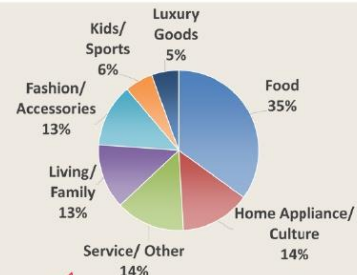


The retail market size in 2021 amounted to roughly KRW518.5 trillion.

In 2020, there were about 1.78 million SMEs operating in the wholesale and retail trade sector.

Distribution of retail sales by product group

In 2021, the food sector accounted for 35% of the total retail sales, followed by home appliances and the service sector.



Startup Ecosystem



In 2021, approximately 425,000 new businesses were established in the wholesale and retail trade sector, making it the most populous sector for startups.

Venture businesses, which are mostly technology-intensive SMEs, have more than tripled within the last 15 years. In 2021, the value of venture capital investments was approximately KRW7.7 trillion.

INTERESTING FACT

According to a survey on the motivation to start a business in ROK, in 2021, around 71% responded that they intended to build significant wealth. About 34% indicated the scarcity of work was a motivating factor.

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GOOD TO KNOW BEFORE SETTING UP A BUSINESS



PROCESS OF INCORPORATION

(SOURCE: INVESTKOREA, STATISTA)

Foreigners can start businesses by acquiring new or existing stocks as prescribed by the Foreign Investment Promotion Act, or by establishing a domestic branch or liaison office in Korea as prescribed by the Foreign Exchange Transaction Act.

A foreign-invested company is a domestic corporation established under the Commercial Act.



In 2020, the ease of doing business score in ROK was 80 out of 100, ranked 5th in the global ranking.



PRODUCT REGISTRATION

(SOURCE: MFDS)

The Korean Ministry of Food and Drug Safety (MFDS), formerly known as the Korea Food & Drug Administration (KFDA), is the main regulatory body for the following products:

- **Food Safety Management System**
- **Biopharmaceuticals and Herbal Medicines Bureau**
- **Management of Testing and Inspection Agencies**
- **Drugs**
- **Medical Devices**



Product registration can be a challenging task, **conduct gap analysis** (if required).



CORPORATE TAXATION

(SOURCE: INVESTKOREA)

Corporate Income Tax Rate (excluding local tax)

10-25%


There may also be the imposition of Local Tax, Branch Tax and Capital Gains Tax.

Click [here](#) to find out more.



MANPOWER MATTERS

(SOURCE: INVESTKOREA)

- Minimum hourly wage has been revised to **KRW9,620 per hour** (w.e.f. 01 Jan 2023)
- Employers are required to contribute an amount equal to 4.5% of salaries to the national pension fund.
- A company only needs to start contributing when it has  employees or more.

Click [here](#) to find out more.



About Location Support

(SOURCE: INVESTKOREA)

Click into each zone for specific details.

Location support provided to facilitate and attract foreign investment consists of:

- **Foreign Investment Zones**
- **Free Trade Zones**
- **Free Economic Zones**

It is recommended that investors carefully review and analyse investment locations.

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FREQUENTLY ASKED QUESTIONS



What are the requirements to start a business?



To establish and register a business, the Foreign Investment Promotion Act (FIPA) requires the following procedures, which normally take between four to six weeks to complete:

- Foreign investment notification
- Investment capital remittance
- Incorporation registration
- Business registration
- Transfer of paid-in capital to corporate account
- Foreign invested company registration

Click [here](#) to know more.

Specific processes are required for registering particular types of businesses:

Branch

The establishment is completed upon registration at a relevant tax office and the court registry. It usually takes two to three weeks to set up a branch office.

Liaison (Representative) Office

Foreign companies are permitted to establish liaison (representative) offices. However, liaison offices have more restrictions on their activities and cannot conduct commercial business or generate revenue.

(SOURCE: PEARSON KOREA, INVESTKOREA)



How much is the minimum investment for a company which engages in Foreign Direct Investment (FDI)?

Foreigners are able to do business in Korea, except as otherwise prescribed by regulations.

A foreign investment must be reported under the Foreign Investment Promotion Act (FIPA) or the Foreign Exchange Transaction Act. To apply, criteria would include:

- invest at least KRW100 million;
- acquire at least 10% of voting shares of a Korean company, or own shares of a Korean company and dispatch or appoint an executive officer to or at such Korean company.

Most sectors of the economy are open to foreign investment, with the exception of a few key sectors. Click [here](#) to know more.

(SOURCE: SANTANDERTRADE, INVESTKOREA)



What are the key types of taxes related to FDI?



The tax system is categorised into national taxes and local taxes.

- **National taxes** are further divided into internal taxes, including corporate tax and income tax, and tariffs imposed on imported goods.
- **Local taxes**, which are imposed by local governments, include acquisition tax, registration license tax, and property tax.

Click [here](#) to know more.

(SOURCE: INVESTKOREA)

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FOR MORE INFORMATION

SUPPORT SCHEMES & PROGRAMMES

- Singapore Global Enterprises initiative
- Market Readiness Assistance Grant
- Enterprise Development Grant
- Enterprise Financing Scheme

Initiatives such as **GlobalConnect@SBF**, **Scale-up SG** and **iTalent Solutions Map** enable companies in their journey towards internationalisation.

Visit **SBF Singapore Business Institute (SBI)** for the list of available training for your respective areas of interest.

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