

# KORUM

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## Arbeitsmarkt Korea



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### Schwerpunkt

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5 Myths about Blockchain

The background of the advertisement is a composite image. The top half features a rocket launch with a large plume of smoke and fire. To the right of the rocket is a technical diagram of a rocket engine or nozzle, rendered in blue and red lines. The bottom half of the image shows a man in a light blue button-down shirt and white gloves, holding a glass jar filled with popcorn. He is looking at a small piece of popcorn in his gloved hand. To his right is a technical diagram of a manufacturing process, showing a conveyor belt and various components, rendered in blue and red lines. The Siemens logo is in the top left corner.

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# Arbeitsmarkt Korea

Liebe Leserinnen und Leser,

seit ihrem Amtsantritt hat sich die Moon Jae-in Regierung in ihrer Wirtschaftspolitik darauf fokussiert, durch eine Erhöhung des Mindestlohns, Arbeitszeitverkürzungen sowie die Schaffung von Arbeitsplätzen im öffentlichen Sektor die Einkommenslücke zu schließen und die Arbeitslosigkeit zu mindern. Die arbeitsmarktpolitischen Neuerungen waren für den privaten Sektor schwer zu verdauen. Neueste Statistiken deuten auf eine Verschlechterung am Arbeitsmarkt und der Wachstumsperspektiven hin und veranlassen die Moon-Regierung dazu, ihre einkommensorientierte Wachstumsstrategie zu überdenken. Diese Ausgabe des KORUM-Magazins wirft einen Blick auf die arbeitsmarktpolitischen Neuerungen und inwiefern ein sozialer Dialog in Korea die Interessensgruppen in diesen Prozess integriert. Darüber hinaus geben wir Ihnen im Nachgang zu den paralympischen Spielen in Korea einen Eindruck von der Beschäftigungssituation für behinderte Menschen in Korea. Abschließend berichten wir über das Ausbildungsprogramm, das in der koreanischen Gesellschaft zunehmend Akzeptanz und Aufmerksamkeit von der koreanischen Regierung erhält. Viel Freude beim Lesen!

Geschäft ist wichtig, Familie um so mehr. Diesen Monat konnten wir die erste Familienzusammenführung seit Oktober 2015 von süd- und nordkoreanischen Familien erleben, die durch den Koreakrieg (1950-53) getrennt wurden. Dieses Treffen resultiert aus einer Vereinbarung, die der südkoreanische Präsident Moon Jae-in und sein Amtskollege Kim Jong-un letzten April getroffen haben. Für September sind ein weiteres Gipfeltreffen zwischen den beiden koreanischen Staatschefs sowie ein Besuch des chinesischen Präsidenten Xi Jinping und des US-Außenministers Pompeo in Nordkorea geplant – Es ist wieder Bewegung auf der koreanischen Halbinsel.



**Barbara Zollmann**

Geschäftsführerin  
AHK Korea / KGCCI

Dear readers,

Since taking office, the Moon Jae-in government has focused economically both on closing the income gap and reducing unemployment by a record hike of the minimum wage, the reduction of working hours and the creation of new jobs in the public sector. However, the labor law amendments were difficult to digest for the private sector. Recent statistics point to a continuous deterioration of employment and growth prospects, prompting the Moon administration to rethink their income-led growth policy. This issue of KORUM takes a look at these labor law amendments and how social dialogue in Korea involves the stakeholders in this process. Furthermore, as a follow-up to the Paralympics held in Korea this spring, we give you an impression of the employment situation of disabled people in Korea. Last but not least, as the 2nd generation of trainees gets ready, Ausbildung program is gaining increased acceptance in the Korean society and attention by the Korean government. We hope you enjoy reading!

While business is important, family is even more. This month we have seen the first reunion of South Korean and North Korean family members separated by the Korean War (1950-53) since October 2015. This reunion was one of topics agreed between President Moon and the North Korean Leader Kim Jong-un last April. For September, another summit is supposed to take place between the two Korean leaders as well as a visit of Chinese President Xi Jinping and US Foreign Minister Pompeo in North Korea – again some movement on the way on the Korean peninsula.



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## 6 Schwerpunkt



What were the reasons for the hike of the minimum wage and the introduction of the 52-hour workweek, and how does social dialogue in Korea involve the stakeholders in this process? Furthermore, how is the employment situation of disabled people in Korea today? Does the Korean society open doors of the labor market to minority groups? The Ausbildung program is gaining acceptance in Korea. What's next?

## 16 Wirtschaft und Branchen



Industry 4.0 seems to be the key word yet ubiquitous challenge of all industries and sectors worldwide. KORUM is taking a look at the machine tool industry and asks about tangible cases of how to prepare and deal with the demands of industry 4.0 and innovation. Blockchain, bitcoins and cryptocurrencies? Facts and information will clear the five most common misconceptions about the blockchain technology.

## 19 Inside KGCCI



In July, Germany's Federal Foreign Minister Heiko Maas visited Korea and met with Unification Minister Cho Myoung-gyon and his Korean counterpart Kang Kyung-wha. In August, Christian Hirte, Parliamentary State Secretary at the German Federal Ministry for Economic Affairs and Energy, also visited Korea. In meetings with the high-ranking guests from the German government KGCCI member companies could discuss the opportunities and challenges of German business in Korea.

# Social Dialogue at a Crossroads in Korea?

Tae Hyun Kim

**"Minimum wages must be rapidly increased to boost domestic consumption."**

Many may mistakenly believe that this statement came from an official from the administration of President Moon Jae-in of Korea, whose election pledge was to generate growth by raising income and build a society that respects the value of labor. In fact, however, the above words were uttered in 2015 by Choi Gyeong-hwan, then Vice Prime Minister of Economics and Minister of Strategy and Finance under the conservative Park Geun-hye administration. At the time, when the minimum wage in Korea was only 5,580 KRW, this economic insight was not given much attention.

Three years later in 2018, however, the minimum wage is 7,530 KRW (16.4% increase compared to 2016), and it is set to be raised to 8,350 KRW in 2019 (10.9% increase compared to this year). Next year, the minimum wage will include 25% fringe benefits and 7% weekly and monthly holiday compensation etc. which are planned to be increased gradually every year. With the labor, management, academia, and media offering their arguments for or against this rapid growth of minimum wage, it seems that debates surrounding this hot topic will not cease anytime soon.

Stakeholders discussing this issue, however, are missing one important aspect about this debate: The lack of "social dialogue". This article was written to point out the absence of conversation among stakeholders in debates of labor issues such as the minimum

wage, and to encourage social dialogue in Korea by pointing to the experience of Germany in this matter.

## **The state of social dialogue in Korea – with a focus on this year's minimum wage consultation**

In the 15 meetings that were held between February 23 and the early morning of June 14, the National Minimum Wage Commission of Korea showed a rocky process featuring drastic changes and violent turns. First, none of the more than a dozen sessions of meetings were attended by all nine workers representatives, nine employers' representatives, and nine public interest members. During the negotiation process, the Korean Confederation of Trade Unions (KCTU) and the Federation of Korean Trade Unions (FKTU) boycotted the meetings when the National Assembly passed a law to expand the benefits included in the calculation of the minimum wage. Later, the FKTU returned to the meeting table when it reached a consensus with the ruling Democratic Party of Korea on the way to improve the current policy. After this return, however, the management representatives boycotted the process when its proposal to apply different levels of minimum wage to each industrial sectors was rejected by the committee. In the end, only 14 out of the 27 commission members voted for the plan on the minimum wage for 2019. Due to these events, the legal deadline to submit the minimum wage plan was passed by nearly two weeks. Veering from the original intent of the minimum wage system, which was to improve the quality of the labor conditions, the two





weeks of time after the legal deadline to submit a plan was a time in which workers, especially those earning less, found reason to be disheartened.

Here, I would like to shift our attention to Germany. As a legal minimum wage was established in 2015, Germany has a very short history of the policy. The negotiation table of the German committee that discusses the minimum wage is set up similarly to that of Korea, with a total of nine members from the labor, management, and academia sitting to discuss the matter. The two academic representatives, who play a similar role to the public representatives in the Korean minimum wage committee, are not given votes, however. Their role is to provide expert opinions on the issue. The recommendation from the committee to gradually increase the minimum wage from 8.50 EUR at the end of June 2018 to 8.84 EUR in 2019, and 9.19 EUR in 2020 was submitted to the German federal government. The German government is expected to issue an executive order regarding the minimum wage that complies with the recommendation. Of course, until a recommendation agreement is reached, civil societies and academic experts, in addition to labor and management organizations, fiercely argue for the interests. One important thing about this process, however, is that minimum wage committee members never get out of the door during the negotiations to complain about their disadvantages.

### **Why is social dialogue absent in Korea?**

Social dialogue in Korea takes place not only in the minimum wage committee. There are multiple channels for social dialogue, including the Job Committee, established by the first executive order of President Moon, as well as Councils to discuss ways for regularizing irregular workers in the public service sector and the Economic, Social, and Labor Council that recently underwent a transformation when the KCTU rejoined it after withdrawing in 1999 to protest the government allowing massive layoffs and subcontracted employments. Despite the existence of these channels in Korea, there are much fewer cases in which the labor and management reach an agreement after engaging in extended debates and adhering democratic processes. Why then is social dialogue absent in Korea?

The first reason is the mutual distrust between the management and labor. The management often mistakenly believes that labor union members are hinderances to business who always talk about grievances against the company and protest during work hours. In contrast, the labor unions criticize the management as unwilling to communicate, never coming to the negotiation table even after continued demands for conversations about improving working conditions. Such mutual distrust caused in individual companies prevented the development of industry-wide negotiation systems, which in turn hindered the social dialogue organizations on the national level from functioning properly. In this dysfunctional

process, boycott was the favored method employed by both the labor and management. As both parties blindly pushed their interests, the common understanding that both corporations and workers exist for mutual prosperity and development became almost forgotten in Korea. The course of the minimum wage committee negotiations chronicled in the previous part of this article is a prime example.

Second, there is a lack of consistency in labor policies, caused by the heavy reliance on government by the labor and management. Rather than debating conflicting agendas regarding labor issues, labor unions and management organizations in Korea each voice different demands to the government. While such activities are expected as they are groups promoting interests of their constituents, both the labor and management are excessively dependent on the government to solve their problems, instead of sitting down together to discuss a common direction to create decent jobs, respond to the Fourth Industrial Revolution, and socio-economic challenges. Without having to mention the shifting labor policies in different government administrations, government agencies try to satisfy both the labor and management by changing the validity periods of labor policies and creating exceptions to labor rules, displaying policy inconsistencies even under the same president. Such practices also cause labor stakeholders to doubt the sincerity of the government policies and mistrust for the dialogue among the labor, management, and government. In July 52-hours-workweek was implemented on businesses hiring 300 or more employees. Immediately before the policy was enforced, however, at most six months of grace period was given to required businesses, exempting them from punishment and corrective measures during that time. Labor unions criticized this move by the government as deviating from the original goal intention of the policy, while businesses seem relieved for a while.

### **A transition is needed to promote social dialogue in Korea**

In the summit meeting with Chancellor Merkel during his visit to Germany in July, President Moon expressed his hope that Korea and Germany share values and philosophies regarding social market economy. When President Steinmeier visited Korea earlier this year, the Korean president displayed a similar sentiment. The core of social market economy is the bottom-up approach in which each economic and social stakeholder participates in the discussion to develop policies that are executed by the government. That is, social dialogue is the basis of such policy-making decisions. The stakeholders monitor and assess the policies that reflect their opinions, and provide feedback for future bottom-up discussion processes. In the end, the structure promotes active participation by the stakeholders in the process of responsible discussions and policy-making.

Some Koreans might say that such social dialogue system in Germany is the result of long history and extensive experiences,

and that the laws, policies, and realities in Korea and Germany are different. Some others, however, call out to study the German system and share the country's experience to develop a Korean model of social dialogue. German labor and management personnel are invited for international conferences to provide a short-term insight to satisfy such needs. But another approach would be to focus on German companies with a presence in Korea, which have experienced social dialogue in their home country. If Korean stakeholders can directly experience the cases of mutual cooperation that achieved increase in productivity, enhanced corporate profits, and better work-life balance, the labor-management relations in Korea will take a turn for the better.

The Economic, Social, and Labor Council, which is the national social dialogue channel in Korea, is now volunteering to play the role of adjudicator or mediator to promote social dialogue between labor unions and management organizations. Although the KCTU is not participating in the social dialogue since late May due to the conflict regarding the passed bill on minimum wage revision, the temporarily stopped discussion channel has resumed operation through the Social Safety Net Improvement Committee and the Industrial Safety and Health Committee. In addition, the social dialogue on labor issues will be expanded in scope to include youths, women, and irregular workers, as well as small businesses and merchants. This might be the perfect time for Korean labor and management to put aside their mistrust for each other, and engage in a debate about the future challenges that face them. In addition, with the expanded subject of the dialogue, the negotiation will include more diverse perspectives provided by stakeholders that responsibly represent their groups in the process of bottom-up policy-making. The hope is that many policy demands will be generated by the collaboration of the labor and management.

### Korea's trade unions



The Korean Confederation of Trade Unions (KCTU) was founded during the late 1980s in the democratization movement in Korea. Its goal is to democratize the labor, with an organization akin to that of social movement organizations in Europe. The Federation of Korean Trade Unions (FKTU) was established in the mid-1940s under the US Army Military Government in Korea, and faced the criticism that it worked as a "yellow union" for the military dictatorship in the following decades, whose goal was to maintain amicable relationship between the labor and the management. However, the organization's relationships with the management and the government have shifted greatly depending on the political views of its executive body. Today, the KCTU is planning to protest the government policy of the recent minimum wage revision, while the FKTU is maintaining a relatively cooperative relationship with the government, having signed a policy agreement with the current president during his candidacy before announcing its support for him through a general member election.

#### Tae Hyun Kim

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## Rising Minimum Wages & Shortening Working Hours

### Reasons and effects of labor law amendments

#### Don Tran

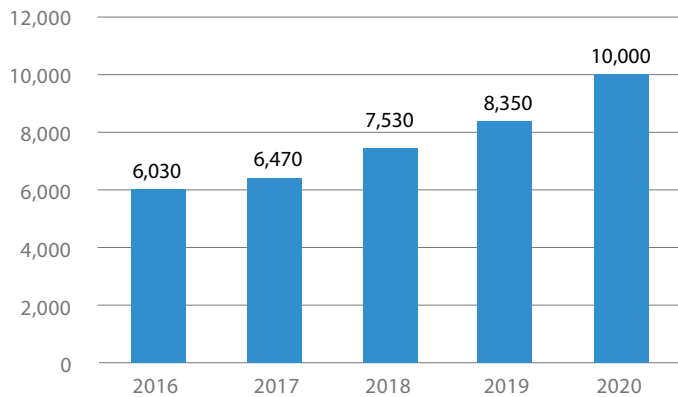
Whilst South Korea is placed comfortably within the global top ten ranking in relation to the ease of doing business, the local intricacies make it complex for foreign companies to comprehend. Many forms of barriers and or risks come to mind and the most costly component revolves around employment risk relating to local labor laws. These laws play a pivotal role when foreign companies make decisions through entering or expanding their businesses in South Korea. Of late, two such elements of local labor laws have shone to light – the rising of minimum wages and the lowering of maximum working hours. The assertive approach of the South Korean government on these two new policies coincide

with a monumental decision to demand more contract workers to be on the permanent payroll at the inception to office. This three-prong approach is said to have benefited approximately 4.5 million people in the workforce. This strategy is seen as key to this administration's economic ambition to lift low income households and to support the distribution of wealth.

Essentially, the cost of labor will rise across the board over the next two years for every organization – big or small. These changes over the next two years will represent an increase of over 50% for labor costs (from 6,470 KRW up to 10,000 KRW per hour) and while the



### Minimum Wage Hike (KRW)



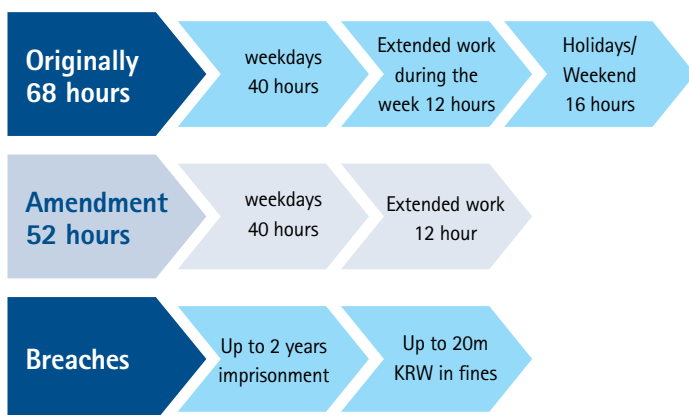
#### WHO

- Companies with more than 1 employee

#### BREACHES

- Up to 3 years imprisonment
- Up to 20m KRW in fines

### Maximum Working Hours



2018.7.1

All business with more than 300 employees, public institutions

2020.1.1

Companies with more than 50-299 employees

2021.7.1

Companies with more than 5-49 employees

new numbers represent a significant increase, the outcome is still relatively lower than most of the developed worldwide economies. These new figures place South Korea at a vicarious mid-point and immediately in a vulnerable position losing much ground to emerging countries throughout the world.

By observing the fabric of the South Korean culture and society, these complexities unveil how commerce is conducted and resonates the necessity for the South Korean government to ensure a protective shield for the countries workforce. Labor laws in Korea are one of the most privileged for employees recognized worldwide. Assumptions can be made that the lenience arises from the consequences of past South Korean government activities where job creation was perceived as a form of protectionism through ensuring favorable outcomes for South Korean conglomerates. This practice differs from the global consistencies of creating jobs via traditional means of discipline fiscal policy. Proceeding these theories, the South Korean government is then obligated to produce an environment to safeguard the local workforce as a counter measure from the power they incoherently shaped. With this notion, it is an intriguing paradigm taking shape as we observe how these new policies will impact the underlying fundamentals of why these policies are actually in place. Will they truly influence the original motives to create jobs and direct lifestyle? – Not likely in the short term. What we see on hand where Japan and the US are creating jobs through re/onshoring, the South Korean economy is facing an exodus of investment from the South Korean conglomerates through offshoring. It is ironic that the rational of these new measures were to implicate the South Korean conglomerates and have them contribute greater to the South Korean economy through job creation, comically the largest impact that these new laws will have are on local SMEs and foreign companies that they are said to protect.

Factually, working hours have been reduced dramatically on the surface: from 68 hours to 52 hours per workweek. Technically, most employees are now working at the 40 hours a week level. This seems fair and brings South Korea to common ground comparatively worldwide. Although there is no such evidence that these amendments will actually improve productivity or provide a better work-life balance for employees as the interpretations of the new guidelines remain apparently in the grey zone. One area of interest is entertainment, both internally and externally have a huge emphasis in the workplace. It is normal for lunches and dinners to be at the forefront for client meetings or company functions, however are not deemed relevant as they are not measured within the new framework even though corporate cards are utilised as payments. Companies must have documentation in place where the company officially directs and notifies an employee that they must attend these entertainment sessions to be registered as official working hours, this seems illogical as entertainment expenses are generally claimable by employees where managers approve expenses.

Via the Ministry of Economy and Finance and the Fair Trade Commission, the South Korean government can be commended on providing some relief to those most impacted. In addition, the Moon government passed supplementary budgets specifically aimed at boosting the job market worth 15 trillion KRW (13.4 USD) in total - 11.2 trillion KRW last year and 3.8 trillion KRW this year. The Ministry of Economy and Finance recently proposed a state budget of around 470 trillion KRW (420 billion USD) for next year of which the job-related budget is speculated to rise 20% on-year to more than 20 trillion KRW.

### Government measures to ease business of SMEs

- Lowering minimum credit card commissions on retail purchase
- Commercial property lease protection: Capped rental costs up to 10 years
- Conglomerates to share the wage hike burdens with their subcontractors

Simultaneously, these three newly implemented policies have on the surface crucial consequences for SMEs and foreign companies. Immediately, these distressed organizations are hampered with higher costs on their local operations. Compliance with these new measures will require upgrades or totally new investments upgrading technology to manage the changes and risks of these new policies. Anxieties arise predominately from SMEs and foreign companies as with the changes that will take place it is clear there will be concerns for the quality levels in the manufacturing space and customer service in the retail space. Operational changes are a must to ensure adherence. And interestingly, SMEs and foreign companies are not bursting out of the scenes to increase headcount.



**Don Tran**

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# Employment and Perception of Disabled People in Korea

Hyo Sung Lee

Since 1991, the Korean law requires private businesses as well as the national and local governments, to hire disabled people at certain rates. This is in line with the effort to protect the rights of disabled people and to realize the basic ideals of employment for them in a way that fulfills the public responsibility of social solidarity. Early in the enforcement of this requirement in 1991, employers hiring 300 or more permanent employees were required to fill 1% of their workforce with disabled people. Since then the policy requirement continued to expand, and in 2018 national and local governments are required to fill 3.2% of their workforce with disabled people, while private businesses employing 50 or more permanent employees are required to have 2.9% of their workforce be disabled. As such, the mandatory disabled employment policy in Korea is a major method for ensuring jobs for the handicapped population, with its target and mandatory rates evolving. At the end of 2016, the employment rate for disabled people in Korea was 2.66%.

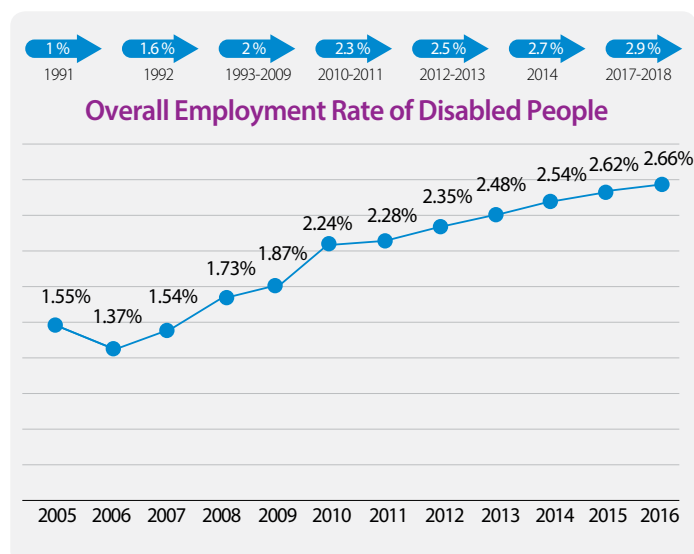
## Korean and global situation regarding employment policies for disabled people

Those covered by the mandatory employment policy in Korea are "disabled people" as defined by the Act on Welfare of Persons with Disabilities. Each country has different ways of defining disability and the size of disabled populations. Because the definition of disability in Korea is aligned with a medical one, the shape of disabled population differs from that of North American and

European countries that also consider social circumstances in their definitions of disability. In addition, countries such as Japan, France, and Germany, which have adopted policies requiring employers to hire people with disabilities at certain rates, designate separate classes of disabled people covered by such requirements. In Korea, however, all registered disabled people are eligible to benefit from the mandatory employment policy. The disability prevalence for individuals aged 15 or older in Korea is less than 6%, which is significantly lower than even the severe disability prevalence in Germany, which is 10.7%. Table 1 displays the prevalence rate of severe disability in various countries. It demonstrates that disability prevalence rate is lower than that of other countries, which, in turn, implies that it is difficult to be recognized as a disabled person in Korea.

There are 15 broad disability categories in Korea, composed of 12 physical disability types (external: physical, brain, visual, auditory, language, facial | internal: kidney, heart, respiratory, liver, intestinal and urinary, epileptic) and three mental disability types (intelligence, autistic, psychological). At the end of 2017, there were 2.55 million registered disabled people, which amount to 4.9% of the entire population (Registered Disabled People Register, Ministry of Health and Welfare, 2018). Acquired conditions account for the vast majority of disabilities at 88.1%. More than 45% of the registered people with disabilities are elderly, aged 65 or older. The major trend

## Mandatory Employment of Disabled People in Korea



Source: 2018 Corporate Support Guide (Korea Employment Agency for the Disabled)

**Table 1. Disability and severe disability prevalence rates in various countries**

Category	Korea	Germany	France	U.S.	U.K.	Australia
Severely Disabled People	1.8%	10.7% (10.4%)	5.0% (9.1%)	-	10.4%	5.4%
Disabled People	5.6%	34.4%	24.8%	11.8%	22.9%	20.1%
Year	2016	2013	2014	2014	2014	2015

Source: Comparative Study of Disability Employment Policies and Situations in Key OECD Countries (Korea Employment Agency for the Disabled Employment Development Institute, 2017)

**Table 2. economic activities of people with developmental disabilities age 15 or older, 2016**

Category	Economic Activity Participation Rate	Employment Rate	Unemployment Rate
Developmentally Disabled People	25.6%	23.5%	11.6%
Disabled People	38.5%	36.1%	6.5%
Entire Population	63.3%	61.0%	3.7%

Source: Internal data from Korea Employment Agency for the Disabled



in the disabled population in Korea is that the number of physically disabled people, the largest group of disabled people, is continuing to decrease. In contrast, the number of people with developmental disabilities, represented by those suffering intellectual and autistic disorders, keeps growing. By age, the number of people under the age of 20 with developmental disabilities is 61,094, which accounts for 65.5% of all disabled people in that age group. Among disabled people under the age of 29, 61.2% is estimated to have developmental disabilities. Due to this demographic characteristic, people with developmental disabilities are coming to the fore of employment policy for handicapped people.

In addition, economic activity conditions of disabled people are significantly inferior to those of non-disabled people, and severely worse in the case of developmentally disabled people. As shown in Table 2, the unemployment rate of developmentally disabled people is 11.6%, which is twice the rate of disabled people aged 15 or older, and three times that of non-disabled people in the same age group. Compared to those in other countries, less Koreans with developmental disabilities secure employment at the end of their special education provided by the government. In many cases they return home after special education despite their high desires for lifelong education and job skill development.

### School-to-Work transition versus NIMBY syndrome

For developmentally disabled people, whose numbers are the highest among students having special education needs, OECD countries practice "School-to-Work Transition," a key agenda of the International Labor Organization (ILO), as core policy items. To effectively execute this program, special education systems and employment services need to facilitate better collaboration and coordination.

Since November 2015, the Act on Guarantee of Rights and Support for Persons with Developmental Disabilities is enacted due to strong protests by the parents of developmentally disabled people in Korea. As such, Korea began to require national employment services and

job training services to meet the needs of developmentally disabled people. Taking a perspective centered around the consumers, our organization planned to establish and run the Seoul Vocational Training Center for the Developmentally Disabled that will elevate their occupational statuses and actively respond to the increasing demands regarding employment (collaboration between the Ministry of Education and the Ministry of Employment and Labor), in addition to provide a job training system optimized for them. However, this movement faced strong resistance by the local residents, which is called NIMBY phenomenon. NIMBY, the abbreviation of "not in my backyard", is a form of collectivism in which local residents and local governments reject the construction of unpleasant facilities such as nuclear waste processing plant, waste water treatment plant, landfill, crematorium, prison, or mental asylum. This phenomenon reflects a deficiency of public morals that people want unpleasant facilities to be installed in other people's backyard although they are aware of the necessity of undesired public facilities.

In Korea, NIMBY is proliferated not only for unpleasant facilities such as garbage incinerator and nuclear waste processing plant but also for a wide range of public facilities including housing projects, college dormitories, social welfare facilities, and special education schools. On the prevalence of NIMBY in Korea, Lee Chang-won, a professor of administrative studies in Hansung University, says that unlike NIMBY of the past when people could cite specific reasons, in recent years it is even unclear to clarify any financial or other harms brought to their communities. He pointed out "the problem of social tendency not to take a holistic view of the local community, but only focusing on economic values." Under such a social mood, the team of the Seoul Vocational Training Center for the Developmentally Disabled experienced the importance of developing a social atmosphere to create positive perception for disabled people.

In that time, I visited Germany in November 2016 to benchmark successful policies and practices to figure out a solution to the resistance of the local residents against the center. In the process



Parents of the disabled students kneel in front of each other in 2015 (left) vs. residents protesting against the establishment of the center for the developmentally disabled people (right).

of studying the history of people with developmental disabilities in Germany, I learned both about the wonderful support for developmentally disabled people that the country provides today as well as the atrocious crimes committed to them during the reign of Nazi in the past. Accordingly, I got curious how Germany overcame the hate against disabled people and achieved the better treatment of the developmentally disabled today, providing them with quality job training and attaining a state of full employment. I made inquiries to an official in a German job training institution, but the official even had difficulties to understand the concept of NIMBY. As the public official said, such public resistance against the establishment of welfare facilities is hard to imagine in Germany. Through my experience in Germany, I became hopeful that the NYMBY phenomenon in Korea can be overcome when people in the community make concerted and dedicated efforts to resolve the issue.

Thanks to the efforts and devotion of many people, including the parents of developmentally disabled children, Seoul Vocational Training Center for the Developmentally Disabled was able to open on December 15, 2016, albeit one year later than originally planned. In its second year of operation, the opposition to the center is completely gone, with 120 students having completed the program and 115 of them successfully obtaining gainful employment. On the Day of Persons with Disabilities in 2018, the street on which the local residents protested the building of the center was designated as a "Walk Together Street." Local residents, the Dongdaemun Police Department, and students as well as the faculty at the center all gathered when the street opened to celebrate the union of the community. The local residents witnessed that they did not have had a good understanding of developmental disabilities, and they could realize that it was excessive worry when seeing the bright faces of developmentally disabled students walking to and from school in the past two years. They expressed that they will support the center as a part of the local community. In the end, the NIMBY phenomenon was overcome in the community.

### Employing disabled people in Korea

Now there are four branches of Vocational Training Center for the Developmentally Disabled in Korea, in Seoul, Incheon, Gwangju, and Daegu. In 2019, new locations will open in Daejeon, Gyeonggi, and Jeonbuk.

To encourage employment of disabled people and create jobs for them, the Korean government is carrying out various financial and employment improvement projects, such as employment stipends for employers, job recommendation service, integrated employment support service, on-site evaluation of streamlined employment policy, internship for severely disabled people, customized job training, incentives for employers, worksite accessibility facility loans, equipment support for employers of disabled people, accessible workplace certification, disabled employment affiliate

support, employment management stipends, assistive technology device support, and work assistant support. In addition, the legislature in Korea passed a law in June 2018 to require employers to take the training of improving awareness of disability. A lot of efforts to bring down the negative perceptions of disabled people is being made by the Korean government more actively.

Since the mandatory employment of disabled people was enforced by law in 1991, more disabled people have been able to get job opportunities. Now is the time to provide more intensive and fundamental investments and support for people with severe and developmental disabilities who have been underprivileged so far. The future employment situation for disabled people in Korea can be brighter when people in society erase their mental barriers and try to be in harmony together just as the street where local residents protested the establishment of a job training facility for developmentally disabled people were turned into a street where disabled and non-disabled residents walk together.



"Walk Together Street" was established on April 20, 2018, the Day of Persons with Disabilities



**Hyo Sung Lee**

Director, Seoul Vocational Training Center for the Developmentally Disabled (Korea Employment Agency for the Disabled)  
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# Ausbildung Enters New Level of Recognition

Susanne Woehrle

The Korean-German Chamber of Commerce and Industry (KGCCI) held an MoU signing ceremony on July 4 with five Korean government ministries including the Ministry of Economy and Finance. Other participating Ministries were the Ministry of Education, the Ministry of Employment and Labor, the Ministry of Small and Medium-sized Enterprises and Startups as well as the Military Manpower Administration who pledged their support to work closer with KGCCI in order to expand the Ausbildung program in many respects.

This is so far the most meaningful step of Ausbildung on the political level, since the program was officially launched in September 2017 together with BMW Group Korea and Mercedes

Benz Korea Ltd. This MoU fits into the government's aim to battle the country's rising youth unemployment rate. The aim is to push the rate below 8% by 2021 from officially 9.8% in July 2018 – although the real rate is likely to be much higher. In this respect, the Korean government has allocated extra budget for 2018 in order to avert a youth unemployment catastrophe. The government says that the number of people aged between 25-29 is larger than other cohorts and this will create intense competition for those entering the workforce over the next few years. Moreover, it is still the majority (over 70%) of high school graduates who enroll into colleges and universities. In consequence, even graduates from highly reputable universities like Seoul National University or Yonsei University are lacking decent work opportunities. Ausbildung wants to create a new field of prestigious education which will give the basis for a solid career for a larger number of young people in Korea.

By signing the MoU, KGCCI together with governmental bodies and KCCI will tie in for further expansion of Ausbildung – into more participating firms and industry sectors. Depending on the demand of companies, KGCCI will introduce new professions which will also bring in new companies. Through sharing knowledge with local institutions such as the KCCI, the penetration of Ausbildung nationwide is intended to rise. Ausbildung is not limited to German companies. European and Korean companies can also get involved in Ausbildung as well. In particular Ausbildung is also an appropriate program for small and medium-sized companies as experiences from Germany prove.



Kim Dong Yeon, Deputy Prime Minister and Minister of Economy and Finance and other officials with 'Auto-Mechatroniker' Ausbildung trainees



MoU signing ceremony of KGCCI with five Korean ministries and the Korea Chamber of Commerce and Industry (KCCI) to expand the Ausbildung program. Representatives of the participating companies (BMW Group Korea, Daimler Trucks Korea Ltd., MAN Truck & Bus Korea Ltd. and Mercedes-Benz Korea Ltd.) as well as the Presidents of the cooperating Doowon Technical University College and Yeosu Institute of Technology also joined the ceremony.



As a consequence, more and more young people in Korea could have the chance to get a fundamental education on skills and personnel development which is not necessarily connected to university studies. Overall this will hopefully lift the non-university related type of education on a higher level which will also result in the rise



This July, Daimler Trucks Korea Ltd. joined the Ausbildung program

of appreciation within society. As Ausbildung is a demand-driven program, the chances of getting a full-time job at the end of the training period, are nearly 100%. This is not only due to the fact that companies are investing money into their future workforce during the three years of training, but the industry desperately needs these highly skilled young people in order to stay competitive. As South Korea is not rich in natural resources, the country has to rely on the capability of workforce on all levels.

What's next? Before the second generation of Ausbildung trainees start, KGCCI will visit workshops of the four participating companies, to check their preparedness to welcome trainees. The new generation of 117 trainees will start on September 1.



**Susanne Woehle**

Project Manager Ausbildung  
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Korean-German Chamber  
of Commerce and Industry  
한독상공회의소



# "Our ambition is to work with Korea as partners in a long-term creative process"

## Interview with Klaus-Peter Kuhn münchen, Head of Legal Affairs at the German Machine Tool Builders' Association (VDW)

**KORUM:** Mr. Kuhn münchen, congratulations on the successful German machine tools symposium held in Korea on July 3. Why was Busan chosen as the location?

**Kuhn münchen:** As Korea's second-largest city, Busan is a very important commercial hub and a centre for innovations; it is just the right place to invite customers to an exclusive presentation of the German machine tool industry. The area of Busan and the South-Eastern region of Korea are well-known for their enormous variety of economic sectors. The economic output in the Busan region accounts for a notable 25% of Korea's GDP.

**KORUM:** What were the main topics and key messages of the symposium?

**Kuhn münchen:** The theme of the VDW Symposium was "Innovations in Manufacturing Technology - Machine Tools from Germany". The key message was: German equipment suppliers are the best choice for your industrial production! The presentations of the 14 participants, well-known German machine tool manufacturers, focused mainly on innovations for the automotive industry and its suppliers. They are the sector's most important clients.

Customers in the mechanical engineering, shipbuilding, electrical and electronics industries were targeted, too. Machines and solutions for the aviation industry were also on display; another important and highly demanding customer sector.

In general, the main focus of our attention is on the success and satisfaction of our customers. Therefore, our business is not merely about selling machines. Consulting, financing, service, maintenance and training all make up a very significant part of our activities. The whole package, put together for our customers' benefit, is what counts – in comparison to machine tool manufacturers from other countries.

German machine tools stand especially for high availability, efficiency, long service lives, high precision, dependability and quality. Service support, in particular, is also very important, since the Korean automotive industry imposes ultra-stringent requirements. For example, users in Korea are accustomed to having mechanical engineering experts delegated very promptly to provide assistance.

**KORUM:** Which innovative products and concepts were presented?

**Kuhn münchen:** What South Korean customers value most about German machine tools is their superior technological performance, quality and precision. Koreans always expect the latest technologies to be incorporated in the machines and systems. Accordingly, the focus was on special ideas for Korean industry, such as industry 4.0 networking solutions. In the future, these will have a significant influence on the productivity, efficiency and accuracy of end products such as gears and complete drive solutions.





Key development areas at present include the ongoing process optimization of individual production resources – especially the tools, self-learning systems and the networking of various elements – as a means of creating smart factories.

Naturally, developments in the classic fields of productivity, quality and sustainability in production were also featured.

**KORUM: What is the current situation in the machine tool industry? How is it reacting to industry 4.0?**

**Kuhnmünch:** The economic situation of both the international and the German machine tool industry is extremely good. Production and employment are at peak levels despite numerous economic policy irritations in the international arena. The German machine tool industry expects production to continue to grow in the current year. This is assured not least by last year's order backlog and the strong growth seen in the first months of 2018.

As already mentioned, industry 4.0 is one of the dominant topics being discussed by companies. To support its members, the VDW is implementing a "Connectivity for Industry 4.0" project which is concerned with the development of a uniform data transfer interface. The aim is to transfer data from various machines and control systems to higher-level IT systems, including the cloud, in order to be able to process it. We have called the project "Eine Sprache für Industrie 4.0" ("One language for Industry 4.0").

Nevertheless, work, research and development are continuing in the classic areas as well. The possibilities inherent in high-performance machining, complete machining, the machining of new materials and the integration of 3D printing are far from exhausted. In the coming years, we will see waves of innovation in this area which will, of course, give customers ongoing incentive to invest.

**KORUM: From the perspective of the German machine tool industry, what will be the most important aspects for the Korean market in the future?**

**Kuhnmünch:** It is far from me to give advice here. However, I believe that the entire industry worldwide is interested in the potential that industry 4.0 holds for increased productivity. And, naturally, this also applies to customers in South Korea. South Korean machine tool manufacturers must therefore digitalize their machines, establish networking solutions and generate new business models from the available data. In addition, the country has developed into a major automobile manufacturer in recent years. New powertrain technologies – for electromobility, for example – are being developed. It is not yet clear which drive technology will win the race. Our studies predict, however, that the change will take some time. Nevertheless, both Korean and German manufacturers are well advised to monitor developments closely and adapt to them.

**KORUM: Are there any partnerships or cooperation opportunities between Germany and Korea that you would like to mention?**

**Kuhnmünch:** The continuing development of its own industrial base is one of Korea's major goals, for which they increasingly require top-quality, extensively automated production technology. This means that demand will remain high for top-performance machine tools for the most diverse range of applications.

The know-how that we have gathered with our partners worldwide is something that we are keen to share with Korea. Our ambition is to work with Korea as partners in a long-term creative process, passing on our experience and taking active part in the continued expansion and modernisation of the Korean industry.

**KORUM: What were the expectations of the German participants and what feedback came from them regarding the meetings with the Korean participants at the symposium?**

**Kuhnmünch:** Korea has long been an important and exacting market for the German machine tool industry. The German participants are primarily looking to establish new contacts with potential customers. This time it was a resounding success. 170 Korean customers obtained detailed information from the 14 German manufacturers about their range of products and services. Besides the presentations, the B2B discussions which we schedule in advance of the symposium ensure that all those interested can discuss their requirements in direct and targeted meetings with the respective providers. This time we were able to organize 80 such bilateral sessions. The feedback from the German participants was extremely positive. There were many reports of new business contacts – up to and including the preparation of concrete deals.



**Klaus-Peter Kuhnmünch**

Head of Legal Affairs  
German Machine Tool Builders' Association (VDW)  
vdw.de



# 5 Myths about Blockchain

Prof. Dr. Katja Nettesheim

Do you know anyone who has Bitcoin? Or have you yourself jumped on the Crypto-Hype? You must have certainly read many headlines on cryptocurrencies – from the new saviour to the next speculative bubble. You may have certainly heard something about blockchain, know that it is somehow related to cryptocurrencies, has something to do with computers and mathematics, and is therefore extremely complicated.

You are absolutely right! And because the topic is complicated, some of the explanations are often misleading or even wrong. We therefore would like to do away with the five most common misconceptions about blockchain technology:

## 1. "Bitcoin and blockchain are one and the same."

Bitcoin and blockchain are often mentioned in the same breath, sometimes even used synonymously, and that is not surprising. After all, the blockchain technology was precisely described for the first time by the inventor of Bitcoin, known by the pseudonym Satoshi Nakamoto. But even as both the terms are closely related to each other, they are not the same. Blockchain is the technology behind the cryptocurrency Bitcoin. This technology ensures that transactions in a computer network are confirmed by many different users and therefore uses complex mechanisms of calculation, known as Proof-of-Work. The successful user gets compensation in a cryptocurrency such as Bitcoin as remuneration to execute these complex calculations. Bitcoin is thus, strictly speaking, the product of blockchain, but also its origin – a classical hen and egg problem.

## 2. "There is only one blockchain."

This is not true! Agreed, if we are talking about "the" blockchain, then it mostly pertains to the technology behind Bitcoin. But there are also other cryptocurrencies besides Bitcoin such as Ether, which are likewise based on variants of the blockchain technology. Theoretically, anyone can place a blockchain (or use an existing one) and make up his own token – as has been the case in the past few months through the so-called ICOs (Initial Coin Offerings). One only needs a computer, programming capabilities, and a network of people participating to attribute a value to the token. Since there are public as well as private blockchains for a limited circle of users, it is impossible to estimate how many exist – there are more than one in any case.

## 3. "Blockchain cannot be hacked."

According to the motto of the hackers: "Everything is hackable". But we often read of the enormous security of blockchain and that manipulation is almost impossible – but only almost. Yes, cryptography and decentralization have certainly made the technology safer, that's true. But there are already some cases where hackers have succeeded in manipulating blockchain and acquiring money. The fact that this is possible can be, amongst other things, attributed to the basic democratic nature of blockchain. If we have more than 50% of the computer network involved with the validation of transactions, then it is possible to make false validations. It naturally requires enormous resource expenditure, which mostly makes it economically unviable – but



the theoretical possibility does exist.

#### 4. "Blockchain is an environment killer."

Blockchain as an energy guzzler? There is truth to it, but it is not an inevitability. One frequently reads that 'mining', that is, forming a new block from confirmed transactions in the data chain, entails enormous computing power, and thus a lot of energy. That is true, but it applies only for blockchains that are set up on the described Proof-of-Work mechanism. The so-called Proof-of-Stake mechanism, where the transactions are not confirmed by the person who has successfully performed the extensive calculations, but by the person having the largest share in the network in terms of value, is clearly energy saving and has been increasingly gaining in popularity. Therefore, the usage of blockchain does not necessarily entail a bad eco-balance.

#### 5. "Blockchain will revolutionize the world and get rid of entire industries."

Clearly: Yes and No. The idea behind Bitcoin is as much simple as revolutionary: "Cut out the middle man". This means eliminating less value creating intermediaries, decentralizing responsibility and competencies, and empowering people to make direct transactions with each other. Such an elimination of middlemen would

render a few bankers, notaries, and many other professional groups redundant. But the sector dealing most extensively with blockchain technology is actually the banking sector. And while the original idea of the inventor of blockchain showed the public, decentralizing, and democratizing technology as a change to the prevailing system, the banks are now developing ways to privatize this technology and to use it to improve their internal processes. The motto thereby is: efficiency instead of ideology. A real revolution, at least as per the current status, is still missing.

Blockchain technology is thus not only a topic for nerds and technology geek. Quite the contrary. In the economy, it is a challenge to be clear at an early stage about the basic function and the general effects of a technology in and on its own market. As a next step, it could be wise for one's own business to ascertain possible risks and also potentials. Because – and this is certainly no myth – the potential of technology is far from being exhausted, and the one who adopts first, shall form the new market structures in his own favour.



**Prof. Dr. Katja Nettesheim**

Founder of \_MEDIATE  
mediate-group.com

## Visit of Germany's Foreign Minister Heiko Maas to Korea

After a brief visit to Tokyo, Germany's Federal Foreign Minister Maas arrived in Korea on July 26 to meet with Korean Foreign Minister Kang Kyung-wha, Unification Minister Cho Myoung-gyon and to

visit the Demilitarized Zone in Panmunjon. Germany reaffirmed their support to South Korea in their North Korea policy, in which the country shows the readiness for dialogue, while reassuring that



Meeting with Unification Minister Cho Myoung-gyon



German Foreign Minister with his Korean counterpart Kang Kyung-wha

sanctions must be maintained until concrete steps have been taken towards complete, verifiable and irreversible denuclearization. In the light of retaliatory tariffs, Foreign Minister Maas underlined the importance of free trade and binding international rules and emphasized that South Korea is an important ally for Germany.

During his first official trip to Asia, Foreign Minister Heiko Maas also met with a small group of KGCCI member companies to assess the opportunities and challenges of German businesses in Korea.



Foreign Minister Maas visits the Demilitarized Zone in Panmunjeom

The meeting held at the LG headquarters in Incheon focused on the EU-Korea Free Trade Agreement and non-tariff-barriers. Other topics addressed in this meeting were industry 4.0, start-ups and Ausbildung.

Minister Maas was accompanied by a delegation representing politics, academia and business. KGCCI and Fraunhofer RO Korea held a morning briefing for the accompanying delegation also on July 27.



KGCCI holding a briefing with the business and education delegation

## KGCCI Roundtable with Parliamentary State Secretary Christian Hirte

On August 7, KGCCI held a breakfast roundtable with Christian Hirte, Parliamentary State Secretary at the German Federal Ministry for Economic Affairs and Energy, and German company representatives. The participants shared their views on current topics, inter alia digitalization, industry 4.0, energy transition, and the Korean labor market. Parliamentary State Secretary Hirte is both Federal Commissioner for Mittelstand and for the Newly-Formed German States in Eastern Germany. Therefore, he met with

Vice Unification Minister Chun Hae-sung to hear about current developments of inter-Korean relations and to share Germany's experiences of separation, rapprochement and reunification. During his visit Parliamentary State Secretary Hirte also discussed stronger cooperation opportunities with the Korean Vice Minister of the SMEs and Startups Choi Su-gyu to support Mittelstand regarding digitalization and industry 4.0.





## The Network of German Business for the Asia-Pacific region



**Based in Germany we provide our member companies  
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**Exchange of experiences  
Know-How  
Contacts**

## News and People



■ **BMW Group Korea** appointed **Mr. Thomas Senger** as **CFO for BMW Group Korea** effective from August 1, 2018. Before joining BMW Group Korea, he was CFO of BMW Retail in Munich. He started his career at BMW Group in 1998 and held several key positions including head of financial steering and head of Group-IT Controlling in BMW Group. He also has experience in Asia as CFO of BMW Group Malaysia

■ **BMW Group Korea** appointed **Mr. Elmar Hockgeiger** as **Head of R&D Center Korea**. Before joining BMW Group Korea, Mr. Hockgeiger was an Engineering Director of BMW Brazil. Mr. Hockgeiger started his career at BMW Group since 1991 and has various experiences in Research and Development area especially involving high voltage battery as well as electrical motors. This is his first time working in an Asian country.



■ After opening its first branch office in Seoul in 2016, **HPF Minerals Ltd.** opened a **second Korean subsidiary in Dangjin** in June this year. The company provides highly specialized mineral fillers for the use in plastics, paints and coatings, electronic devices, etc. Since entering the Korean

market, HPF Minerals Ltd. has gained a solid position in the Asian market. The company is planning to build a production plant in Dangjin in order to better satisfy the increasing demand of customers.

■ **ZEISS Korea** lately celebrated two big milestones: The very first **ZEISS Vision Center** in Korea has opened its doors in Yongsan, Seoul. ZEISS Vision, representing the company's eyeglass lens technology with its portfolio, created a whole new shopping experience for their consumers, with offers from frame selection and precise vision measurement to careful lens consultation. To date, there are more than 120 ZEISS Vision Centers worldwide in 20 different countries.

Furthermore, a new **Competence Center** in East-Daegu officially held its opening ceremony on July 4. The center is used as demo center for the Industrial Metrology Technology and Microscopy Division. ZEISS moved from its old Competence Center in Daegu



to a bigger and better located facility in Daegu to create a place to consult customers, offer measuring services and demonstrate its products in the Southern part of Korea.



Please send news for this column to [pr@kgcci.com](mailto:pr@kgcci.com)

## Upcoming

### KGCCI Events

August 29

**Intercultural Seminar with MindsGroup: Work, Lead & Communicate Successfully with Koreans**

Target: Germans & Foreign Nationals Working & Living in Korea  
KGCCI 7th Floor, Conference Room

August 30

**KGCCI Seminar with CMS Hasche Sigle in cooperation with Bae, Kim & Lee.**

"EU General Data Protection Regulation (GDPR) Revisited"  
KGCCI 7th Floor, Conference Room

September 14

**4th KGCCI Innovation Awards**

Be present when the winners of the 4th KGCCI Innovation Awards 2018 receive their prizes  
Floating Islands (Sebitseom)

September 18

**KGCCI Seminar co-hosted with ECCK and SKBC**

"From Blockchain to Smart Contracts"  
Grand Hyatt Seoul  
2nd Floor, Namsan 1

September 19

**KGCCI Breakfast Seminar with Shinhan Bank**

"Global and Korean Macro Economic Forecast and FX Forecast"

September 20

**Self-Development Seminar with Dale Carnegie: Millennials Engagement Workshop**

Target: Leaders /Managers who work with Millennials  
KGCCI 7th Floor, Conference Room

October 25

**Startups meet Grownups #3**

KGCCI members with cooperation interests meet Korean startups with ICT and automotive solutions

Registration: [www.kgcci.com/events](http://www.kgcci.com/events) | Contact: Ms. Sun-Hi Kim | [events@kgcci.com](mailto:events@kgcci.com)

# New Members

## Corporate Member

### BRITA Korea Co., Ltd.



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### Hettich Korea Co., Ltd.



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### Hunger Hydraulics Korea Ltd.



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## Individual Member

### Mr. Daniel Thomas Faller

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### Mr. Joseph S. Roarty

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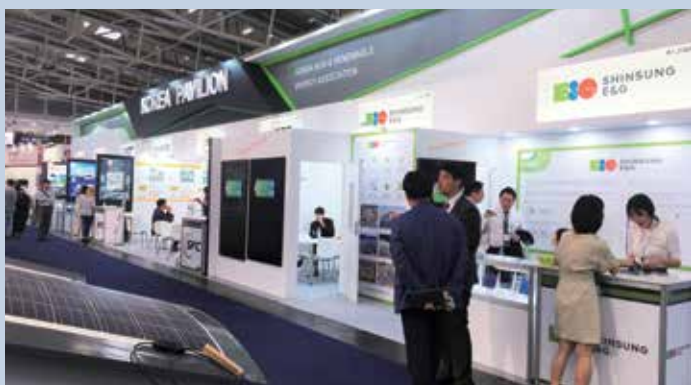
# Contacts

## Global Connect



On June 20, KGCCI participated in Global Connect, the forum for export and globalization at Messe Stuttgart. Together with regional experts from various German Chambers of Commerce and Industry (AHKs) representing the diverse countries, KGCCI provided information about potentials and opportunities of the Korean market.

## Intersolar & ees Europe 2018



The world's leading exhibition in each field of Photovoltaic and Electric Energy Storage, Intersolar and ees Europe 2018, were held in Munich on June 20-22. KGCCI as the Korean representative of the exhibitions participated in the fair in order to support Korean exhibitors on-site. From this year on, these two exhibitions were held together with two other exhibitions called Power2Drive Europe and EM-Power Europe, under the name of "The smarter E Europe".

## "Women in Korea" to launch mentorship program



On June 26, KGCCI started the mentorship program of its newly founded group "Women in Korea" (WIR / 우리). At this first meeting 10 female executive mentors and 15 mentees from companies such as Bayer Korea Ltd., CJ Corporation, Deutsche Bank AG, Institute for Global Economics, KGCCI, Korea International Finance Institute, Kyobo Life Insurance Co., New Seoul Hotel, Nespresso Korea or Yulchon LLC gathered at the Goethe-Institute in Seoul for networking and their first mentorship session. KGCCI's WIR Group is a cross-industry, cross-national network of female executives which wants to help Korean females in middle management to unlock their leadership potential and accelerate value-driven leadership with focus on gender, generations and geographics.

## KGCCI Sundowner



On June 21 and on August 14, KGCCI hosted the Sundowners of this summer welcoming many members and friends. In a relaxed atmosphere the participants met old acquaintances and made new contacts in the German-Korean business community. As always, German dishes as well as German beer were served to bring a German flavor to Korea.



## 10th Anniversary: KGCCI DEinternational employee Mr. Young-Min Kim



We congratulate and thank our colleague Mr. Young-Min Kim for his valuable work during the past 10 years at KGCCI DEinternational. Mr. Kim is working as Senior Manager at KGCCI's trade department. As foreign representative for Landesmesse Stuttgart in Korea he is promoting the industrial exhibitions and, furthermore, is responsible for the promotion of various investments for Korean local governments, e.g. free economic zones and industrial provinces.

Mr. Kim who speaks German fluently says that the work at KGCCI DEinternational brought various challenges and opportunities and helped him understand the German business culture. He could gain broad business abilities through diverse experiences which shaped his passion for the business. Mr. Kim is very proud of being an active colleague at KGCCI and is also engaged in KGCCI's Young Leaders Group.

## KGCCI member-to-member HR seminar with Korn Ferry Hay Group



On July 10, a KGCCI member-to-member seminar was held in cooperation with Korn Ferry Hay Group focusing on HR strategy on how to respond to rapid environment changes by the fourth industrial revolution and Korean government directions.



## AHK Regional Conference in Japan



This year's annual regional conference of DE-representatives of the AHK network in Asia, held on July 11-13 in Japan, focused on third country collaborations. In a speech delivered by Ken Nishigahiro, Deputy Director at the International Cooperation Bureau of the Japanese Ministry of Foreign Affairs, the participants were introduced to the Japanese model of third country collaborations.

In order to gain insight into the Japanese start-up and corporate accelerator scene, the participants paid a visit to Tokyo's co-working space Docks. The 2-day-program ended with an exchange with members of the AHK Japan to assess cross-border business opportunities.

## Young Leaders Group Information Session



The Young Leaders Group (YLG) of KGCCI hosted an information session with speaker Antonio Yoon, head of new business of Intops, on August 8. The session gave an insight into the Korean startup ecosystem. YLG aims to build a platform for young professionals of KGCCI member companies to develop leadership skills through cross-company and cross-industry networking. Please contact us for further information at [ylg@kgcci.com](mailto:ylg@kgcci.com).

## Publication: AHK Annual Report 2017

The AHK Annual Report 2017 is now available in English. The report summarizes the achievements of the approximately 2,000 employees of the German Chambers of Commerce and Industry (AHKs) at 140 locations in 92 countries throughout the world, and their dedication in supporting the 51,000 member companies. This annual report presenting the highlights of the global AHK network can be downloaded on the KGCCI website.





# Technischer Fortschritt im Tigerstaat

## Wie die Umsetzung von Innovationen den Alltag in Korea sicher und angenehm gestaltet

Severin Forstner

Korea ist das innovativste Land der Welt laut dem Bloomberg Global Innovation Index 2018. Bei den ersten Schritten in einer der koreanischen Metropolen fällt einem relativ schnell eines auf: so technologisch erschlossen und daher komfortabel zeigt sich Deutschland häufig nicht. Ob es darum geht, ein Taxi per Mobiltelefon zu bestellen, seine Rechnungen elektronisch zu bezahlen oder flächendeckend verfügbares W-Lan anzubieten, Korea ist Vorreiter in Sachen Digitalisierung und Umsetzung von neuen Technologien.

### Woher kommt diese Affinität zu Modernisierung und die damit einhergehende Spitzenposition im weltweiten Vergleich?

Bei einer Betrachtung der wirtschaftlichen Entwicklung Koreas stellt man relativ schnell fest, worauf das starke Wachstum und der daraus resultierende Erfolg begründet sind: auf Fleiß, Leistungswillen und der Offenheit für Innovationen. Korea ist das beste Beispiel dafür, was ein Land durch Eigeninitiative erreichen kann, wenn man betrachtet, dass das Bruttoinlandsprodukt 1957 mit ca. 490 USD noch auf dem Niveau afrikanischer Staaten wie beispielsweise Ghana verortet war, 30 Jahre später die Kaufkraftparität des Tigerstaats jedoch bereits zehnfach höher war. Korea hat es geschafft, besonders im Bereich Forschung und Entwicklung neue Maßstäbe zu setzen. Mit einer hohen Affinität zu Bildung, die sich u.a. in der stetigen Spitzenpositionierung in den Pisa-Studien seit der Einführung im Jahr 2000 widerspiegelt, und der größten Patentaktivität weltweit wurde die Grundlage für den heutigen technologischen Fortschritt gelegt.

### Wo treffen wir im Alltag in Korea auf diese technischen Neuerungen?

Jedem, der sich für eine längere Zeit in Korea aufgehalten hat, wird wohl die Fülle an Überwachungskameras aufgefallen sein. Für



die einen mag dies die traurige Realisierung von George Orwells ‚1984‘ sein, während für die anderen der Aspekt der Sicherheit überwiegt. Durch die flächendeckende Einführung von lokalen Instanzen zur Überwachung des öffentlichen Raumes, die im Ernstfall die Behörden informieren, soll in Korea ein hohes Niveau an Sicherheit gewährleistet werden. Bereits jetzt zählt die Hauptstadt Seoul zu den 15 sichersten Städten weltweit laut dem regelmäßig veröffentlichten Safe Cities Index. Zukunftstechnologien wie ‚Predictive Policing‘ sollen für eine Bekämpfung von Verbrechen sorgen, bevor diese überhaupt stattfinden.

Nicht nur im Bereich Sicherheit ist Korea attraktiv. Der Tigerstaat weiß auch als interessanter Standort für die Wirtschaft gleichermaßen wie für Privatpersonen zu überzeugen, da die Internetgeschwindigkeit im Speziellen und die technische Infrastruktur im Allgemeinen Weltspitze sind. Mit einer gesellschaftlichen Verbreitung des Internets von mehr als 90% sowie der schnellsten Datenübertragung weltweit hat Korea derzeit den ersten Platz des ICT Developments Index der Vereinten Nationen inne. Aktuell findet, unter der regulierenden Hand der Regierung, eine Zusammenarbeit der drei größten koreanischen Telekommunikationsunternehmen statt, um schnellstmöglich eine flächendeckende Einführung von 5G-Technologie realisieren zu können.

Dieser Fortschritt ist vor allem auch der hohen Bereitschaft zur Akzeptanz neuer Technologien zu verdanken, wie sich am Beispiel ‚Smart City‘ nachvollziehen lässt. Technologische Infrastruktur, die das Leben der Bürger ressourcenschonend, umweltfreundlich und letztlich komfortabler machen soll, lässt sich beispielsweise in Teilen der koreanischen Städte Sejong beziehungsweise Busan wiederfinden. Von Carsharing über autonome hydrothermische Energiegewinnung hin zu automatischer Regulierung von Verkehrsleitsystemen bieten die Vorzeige-Zukunftsstädte Koreas vieles, was das Leben der Einwohner angenehm, sicher und nachhaltig gestalten soll.

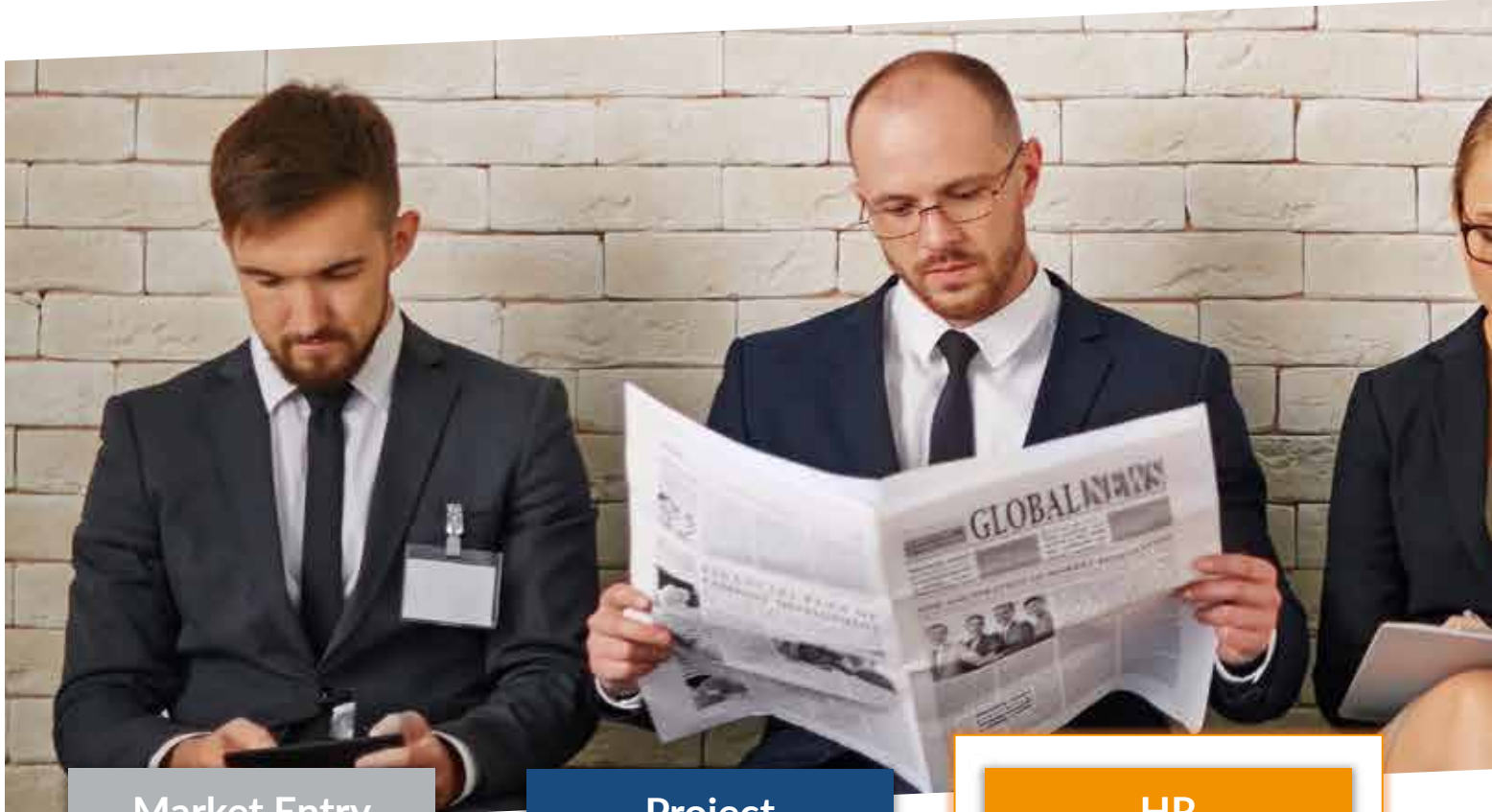
Schlussendlich lässt sich subsumieren, dass Korea Deutschland digital wohl weit voraus ist, was jedoch keinerlei Grund zur Traurigkeit darstellt, sondern viel mehr als Ansporn zu verstehen ist, auch in der Bundesrepublik etwas des technologischen „balli balli“ aus Korea zu adaptieren.



Severin Forstner

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**KORUM**, the bimonthly magazine of KGCCI publishes articles on Korea's economy, markets, companies, technologies as well as on tax, legal or intercultural issues. The journal also contains information on the activities of KGCCI and its member companies.

**KORUM** target group consists of KGCCI members in Korea and abroad, decision makers of companies doing business with Korea, business associations and relevant public sector institutions.

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## NEXT ISSUE

Advertisements and contributions for issue 77: **September 12<sup>th</sup>, 2018**

**Main topic: "Quo Vadis Korea?"**

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