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Recruiting in Korea



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Schwerpunkt

2017 Labor Market Outlook

Wirtschaft und Branchen

Korea schraubt Wachstumsprognosen nach unten

The background of the advertisement is a composite image. The top half features a rocket launch with a large plume of fire and smoke. 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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Recruiting in Korea

Liebe Leserinnen und Leser,

Deutschland hat den jährlich rotierenden Vorsitz der G20 Staaten in einer turbulenten Zeit übernommen. Während sich die Gewichte in der Weltwirtschaft nach Fernost verschieben und Digitalisierung ganze Wirtschaftszweige und den Arbeitsmarkt verändert, zweifeln in den „alten“ Industrieländern wachsende Bevölkerungsgruppen und politische Gruppierungen an den Vorteilen von Freihandel und Globalisierung. 2017 ist auch Wahljahr in Deutschland und Frankreich, während beim G20-Mitglied Korea in Kürze das Verfassungsgericht über die Amtsenthebung von Präsidentin Park und somit auch den Zeitpunkt der nächsten Präsidentschaftswahlen entscheiden wird.

Die deutsche G20-Präsidentschaft wird von den drei Schwerpunkten: "Stabilität sichern", "Zukunftsfähigkeit verbessern" und "Verantwortung übernehmen" geprägt sein. Deutschland mit seiner starken Wirtschaft und politischen Stabilität wird sich gemeinsam mit seinen G20-Partnern der Aufgabe stellen müssen, günstige Rahmenbedingungen für das Wachstum der Weltwirtschaft und die Verbesserung der internationalen Zusammenarbeit zu schaffen. Dies ist auch eine Gelegenheit, die wirtschaftlichen Beziehungen zwischen Deutschland und Korea weiter zu vertiefen.

Recruiting in Korea, das Thema dieser KORUM-Ausgabe, wurde aus aktuellem Anlass gewählt. In Korea wächst die Unzufriedenheit über steigende Jugendarbeitslosigkeit und starke Lohnunterschiede zwischen kleinen und großen Unternehmen. Die deutsche Wirtschaft in Korea leistet einen wichtigen Beitrag, jungen Koreanern eine berufliche Perspektive zu geben und Arbeitnehmern eine interessante Alternative zwischen heimischen KMU und Chaebol zu bieten. Die AHK Korea engagiert sich in diesem Kontext durch verschiedene Projekte, die wir Ihnen in dieser Ausgabe vorstellen werden.



Barbara Zollmann
Geschäftsführerin
Deutsch-Koreanische
Industrie- und Handelskammer

bzollmann@kgcci.com

Dear Readers,

Germany assumes the rotating presidency of the G20 in turbulent times. While the weight of global trade is shifting to the Far East and Digitization changes whole industrial sectors and labor markets, growing population groups and political organizations in the "old" industrialized countries express doubt about the benefits of free trade and globalization. 2017 is also an election year in Germany and France, whereas in Korea, another member of the G20, the constitutional court will soon decide about the impeachment of President Park and therefore the date of the next presidential elections.

The German G20 presidency will be shaped by the three pillars "ensuring stability", "improving viability for the future" and "accepting responsibility". Together with its G20 partners, Germany with its strong economy and political stability will have to face the task to create a framework to encourage the growth of global economy and the improvement of international cooperation. This is also a chance to further deepen the economic relations between Germany and Korea.

In light of recent developments, Recruiting in Korea features prominently in this month's issue of KORUM. Dissatisfaction about increasing youth unemployment rates and large wage gaps between small and big companies are growing. German business is playing a major role in providing young Koreans with a career path and in offering employees an alternative to domestic SMEs and Chaebols. KGCCI is engaging in various projects which we will introduce to you in this issue.



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The magazine's readership selected a list of nominees, which were judged by financial experts and editors, who honoured Commerzbank for its market position, innovation and international expertise. World Finance, 07/08 2016 issue

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Recruiting in Korea

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6 Schwerpunkt



In 2017, the situation in the Korean labor market is expected to not change drastically, as the political situation is still not set. Depending on the outcome of the impeachment process, political reforms will may change the current framework.

21 Wirtschaft und Branchen



The Bank of Korea revised the Korean GDP growth expectations from 2.8% to 2.5% in January this year. This will mark the second year after 2016 that the Korean economy showed a growth rate below 3%. Important pillars of the Korean economy such as exports and machinery are facing decreasing market activities.

2017 Labor market outlook

Jae Yeon Cho

The 2017 labor market in Korea is not expected to differ much from that of 2016. Employment barriers seem likely to remain high. The main reason is companies' reluctance to make new investment and large-scale recruitment plans, due to low economic growth and unstable domestic politics. As a result, unrest in the labor market will continue, and in particular, youth unemployment will become even more of a serious social issue.

Companies looking for progress with regard to employment flexibility are likely to be disappointed. Given the current political atmosphere, administration initiatives to increase employment flexibility seem unlikely to achieve the desired result. Efforts to systemize legal measures to increase employment flexibility through labor-related legislation have also been adrift due to opposition in the National Assembly and from labor organizations.

A presidential election will be held this year, and the government is unlikely to pass any meaningful reforms until the outcome is known. Consequently, companies cannot expect relief from financial burdens. The enforcement ordinance from the Ministry of Employment and Labor stating, "The retirement age of workers must be set at 60 or older" was applied only to public institutions and companies with more than 300 employees up to December 31, 2016. However from this year, it will be expanded to all workplaces. Even companies that have existing contracts with a mandatory retirement age below 60 must allow workers to stay on until at least age 60 if they desire. However, the ordinance does not apply to short-term contracts. While there have also been calls to extend the retirement age to 65, such a change is not considered feasible at the moment.

Government efforts to introduce a "wage peak system" and "annual performance salary system" in order to offset the retirement age extension have yet to be fully realized beyond public institutions and major conglomerates. Until such supplementary measures are fully reflected in our society, financial burdens on companies will increase further.

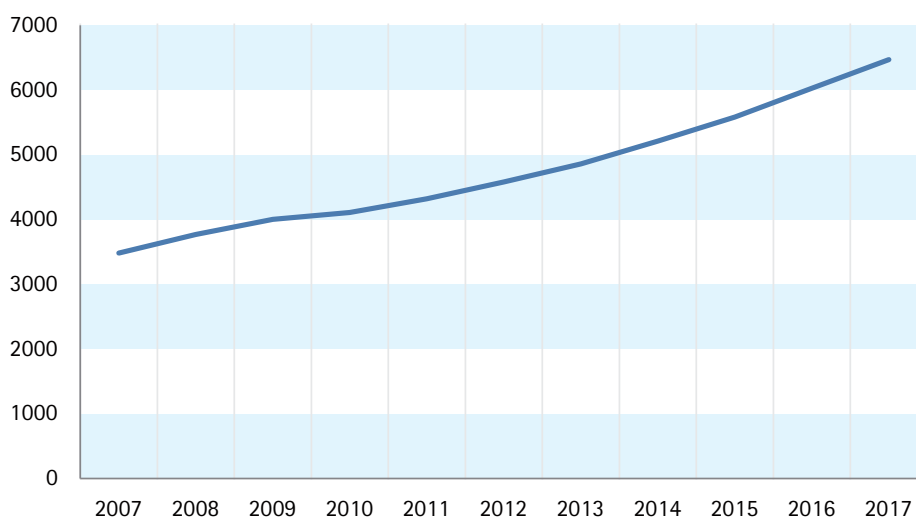
The minimum wage has increased 7.3% from 6,030 KRW/hour in 2016 to 6,470 KRW/hour in 2017. At the standard eight-hour/day and 40-hour/week, minimum daily and monthly pays are KRW 51,760 and 1,352,230 KRW respectively. Incremental increases in the minimum wage are expected in the future.

Regarding working hours, a proposed amendment of the Labor Standards Act currently submitted to the National Assembly calls for reducing the total maximum working hours per week from 68 hours to 52 hours. (The current 68 hour maximum comprises the regular 40-hour work week, 12 hours of overtime and 16 hours worked during regular off days.) With regard to wages, the biggest issue this year is the "holiday work allowance." Until now, companies have been paying employees who work over a holiday 150% of their ordinary wages (or "time and a half") in accordance with Ministry of Employment and Labor guidelines. However, a lower court ruled that "Because holiday work is also considered extended work, the holiday work allowance should be set at 200% [double time] instead of 150%." This judgment is currently awaiting a final ruling from the Supreme Court. If it upholds the lower court's decision, companies would be subject to paying additional wages, totaling trillions of won.

The Ministry of Employment and Labor has submitted an amendment to the Labor Standards Act stating, "Holiday work that falls within 8 hours must be paid at 150% of ordinary wages," but it is unclear whether this bill will pass. The fundamental problem of the labor market lies in the inherent "duality" that pervades nearly every issue and makes them hard to resolve, e.g. conglomerates and SMEs, permanent and temporary employees, youth employment and extension of the retirement age and job security, and so on.

Such problems can only be resolved through earnest cooperation among government, private-sector and labor representatives, striving together to draw the best possible compromise and conclusion. However, given the present political chaos over the

Change of the Korean minimum wage (hourly) during the past 10 years



president's impeachment and the rigidity shown by both the business and labor communities, reaching an agreement seems very distant.

Unemployment is one of the most critical labor problems facing the world today. Korea's 4% unemployment rate (equating to about 1 million individuals) is not high when compared to comparable figures from the EU contained in the 2015 the Social Justice Index compiled by Germany's Bertelsmann Stiftung: 9.6% unemployment

on average with the youth unemployment rate at 20.4%.

The number of unemployed Korean youth is 435,000. The corresponding 9.8% rate is the highest since the 2000s. The number of long-term unemployed (exceeding six months) is 133,000, or 13% of the unemployed – with most being from the younger end of the workforce.

Temporary unemployment occurs naturally as people switch or start jobs or are laid off during a recession. However, long-term unemployment is a sign of structural abnormalities, where the unemployed attempt to find jobs yet fail continuously. The ensuing anger of the young generation could lead to critical changes in the political topography as well. For new jobs to take root and develop, reconstruction of enterprises and the closing of unproductive zombie companies are necessary.

Meaningful progress is unlikely since the structural reforms taking place now are moving at such a slow pace due to various social and political causes. Everyone is in agreement that labor reform is critical and urgent. However, as stated above, because of this year's presidential election, conflicting political opinions and economic policies are the likely outcomes at present, particularly in the field of labor. Despite the shared desire to enact reforms, labor-related concerns will likely grow and deepen rather than decline this year.



Jae Yeon Cho

Attorney (Taxation Disputes, Civil Litigation, Family Law, Construction & Real Estate)
DR & AJU

How to Acquire Future Workforce

What it looks like in today's recruitment

Cindy Lee & Ellie Son

Although career-based recruitment systems are more prevalent among Korean major conglomerates, most multinational corporations located in Korea have adopted position-based recruitment approaches. In contrast to career-based systems where employment – rather than a specific position – is guaranteed and mobility is initiated within the organization either regularly or irregularly, position-based systems involve the offer of specific positions. Accordingly, they require a series of recruitment efforts for each position and selection decisions based on position-specific competency evaluations. Aligned with common global recruitment practices, multinational companies situated in Korea have consistently chosen position-based recruitment systems.

Besides, a great number of scholastic articles and industry data have strongly emphasized on the importance of understanding the new workforce – millennials. Now is the time to take it seriously and have a different approach to attract and retain them. According to Korn Ferry Hay Group's database, millennials are largely driven by Learning, which is defined by intellectual curiosity and enjoying the task of learning how to do things better or more effectively. In align with this, many industry leaders including General Electric, British American Tobacco, and Japan Tobacco have expanded their fast track programs to Korea that accelerate individuals' learning through structured training sessions and planned job rotations based on career aspiration.

Along with the advancement of data science and technology, companies put their efforts into advancing their selection processes. Google's well-known selection process includes cognitive tests, 360-degree interviews, and structured interviews. An increasing number of multinational companies in Korea have made efforts on developing more sophisticated screening and selection strategies in that the importance of having right people is more emphasized than ever before. To explain, P&G Korea's hiring process involves the online PEAK Performance Assessment and Reasoning Screen, the in-person Reasoning Test for selective positions, and multiple behavioral and situational interviews.

Providing millennials with brand value and realistic job previews

As mentioned above, millennials seek values from work that are different from other generations – work and life balance, learning and development, and so forth. Therefore, companies striving to look for future workforce need to develop their employer brand, considering the difference between millennials and other generations.

However, it is more important to provide candidates with realistic information on the job and organizational attributes so that they are not misguided. Realistic job previews can be done in a more creative way. My Marriott Hotel, the web-based game, allows millennials to indirectly experience jobs at a hotel, and this is a good example to improve employer brand value and to provide job previews at the same time.

It does not always require a technology to give realistic job previews. A New York-based media technology company has invited

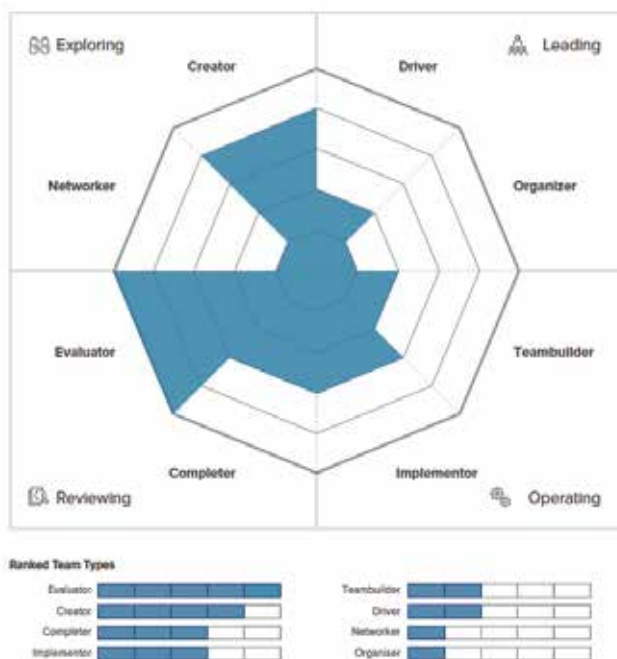
eligible intern candidates to their in-house party and offered an opportunity to be exposed to their organizational culture and to obtain information on the company and open positions. While enjoying the party, candidates are evaluated and finalists are selected.

Increasing predictabilities on future performance

During the selection process, it is common to refer to experience and performance and see if these are well-aligned with a specific job. Additionally, many companies also use a variety of methods to predict future performance of candidates.

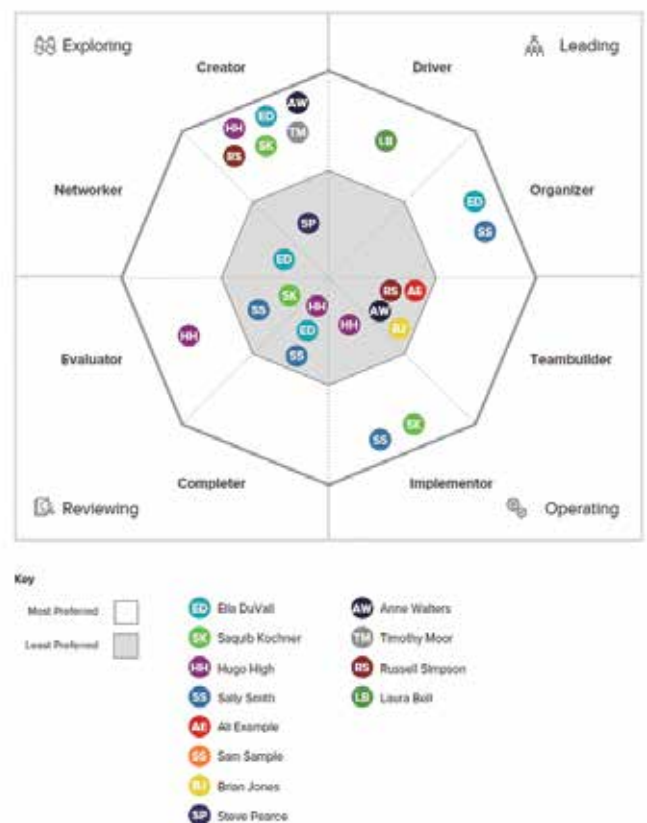
Work sample tests with high content validity can help predict candidates' future behavior by having them perform selective tasks similar to those to be performed on the job. However, as not all tasks can be deliberately tested and evaluated, especially within a limited time, this particular method cannot possibly cover a full spectrum of jobs. Alternatively, general cognitive ability tests can be used to examine candidates' general intelligence including numerical, verbal and logical reasoning abilities, which are required to well carry out given tasks.

On the other hand, personality assessments can be also used to find right team members who can boost team performance by balancing out different personalities in the team (refer to illustration 1 and 2). Many studies have revealed that each individual's personality



[Illustration 1 – Team Profile for an Individual]

Source: Talent Q Dimensions Sample Report, Korn Ferry Hay Group



[Illustration 2 – Composite Team Profile]

influences the overall team performance in terms of cooperation, shared cognition and communication among team members. Considering that even the most expensive professional sports team with star players can fail to win a game, more effective approaches may focus as much on people's skills as on their personalities. In this respect, companies can start from an in-depth analysis on current team members' personalities to find the right combination of the team.

Some companies examine the traits of their high performers that distinguish them from others and develop a success profile for effective recruitment. For example, Ford Retail Group, operating sixty-five Ford dealerships in the UK, worked with Korn Ferry Hay Group to find what makes a good sales executive. The company analyzed the personality traits and abilities of their top-performing sales people and created the optimal profile of a sales executive, combining both the sales and the customer service aspects of the role. By using this profile as a sifting benchmark, they improved the caliber of new sales recruits.

As mentioned earlier, companies tend to set up multiple interviews to evaluate candidates from various perspectives and reduce bias in evaluation. However, simply increasing the number of interview rounds does not improve the odds of right decisions. Rather, what is more important is to ask structured questions. Then, what constitutes structured interviews? First of all, competencies required for successful performance should be defined. After that, appropriate questions that can assess the level of pre-defined competencies should be developed. During the interview, a well-trained interviewer needs to probe into answers by asking follow-up questions and identify a right person by evaluating truth and thinking processes of the interviewee.

For selective executive positions, companies choose simulation-based assessments. Candidates are given a detailed scenario about

a fictional company, and their knowledge and skills are assessed through a series of activities including pencil-and-paper tests, role plays, and discussions with facilitators. Since it is hard and time-consuming to develop scenarios and deliberately carry out the activities, most companies work with an HR consulting firm. Structured interviews and simulation-based assessments have high predictability on future performance. Due to time and money issues, however, they are not commonly chosen. Also, not many hiring managers are ready to conduct these type of selection activities.

None of the approaches listed above can guarantee a perfect selection. One study says that using multiple assessment methods, rather than relying on a single method, has a higher predictability on future performance of candidates. Thus, companies can choose how to combine different assessment methods depending on their recruitment strategy.

Once your company is confident to recruit the right talent, you should check if your company provides effective onboarding programs. Supportive, well-organized programs will pay off your efforts on selecting right people by helping them stay with your company for a longer-term.



Cindy Lee

Senior Business
Development Manager
Korn Ferry Hay Group



Ellie Son

Consultant
Korn Ferry Hay Group

Korean government supports employment of Korean young talents overseas

Simone Jurecka

Korea is well known for its smart, highly skilled and hard working population. 80 percent of adults aged 25 to 64 have a high school diploma, which is higher than the OECD average of 74 percent. While outperforming their OECD peers in literacy, math, and science, the majority of Korean university graduates find themselves working an average of 44.6 hours per week compared to the OECD average of 32.8 hours, while sleeping less than six hours a day. On the contrary a substantial amount of university graduates struggle with fin-

ding a job as seen in the unemployment rate of 8.2% as of November 2016. The Korean government is well aware of these challenges and thus, actively supports the employment of skilled job seekers.

An international comparison (Figure 1) of 109 countries was undertaken from 2015 to 2016 with rankings based on the outcomes of each country's Global Talent Competitiveness Index (GTCI). Variables included internal and external openness, formal education, life-long

learning, retention, labor and vocational skills, labor productivity, global knowledge skills and talent impact. Overall, Korea ranked 37th, compared to 14th for Germany. Particularly in regard to global knowledge skills (i.e. a strong pool of higher skills supporting the production of quality research and innovations and engaging in entrepreneurship), Korea ranked 17th while Germany placed 27th in regard to retention, however, Korea's rank of 65th was far lower than Germany's 9th place.

Around 500,000 young people in their 20s in Korea are searching for employment, especially overseas, although the reality remains harsh. Korea's youth unemployment rate soared to 10.1 percent in June of 2016, a record high during the last 15 years. Such a high level of long-term unemployment (joblessness for more than 6 months) was last observed at the height of Korea's biggest economic crisis in the late 1990s.

Language barriers as well as cultural and working style differences often constitute obstacles and complicate the ability to go abroad for work. The Korean government has initiated various programs to help young job seekers find work and spends 2 trillion KRW (1.66 billion USD) annually to this end. However only 15% of those who participated in government-funded internships at state-run enterprises and large corporations, job training programs, and recruitment services were hired as regular employees.

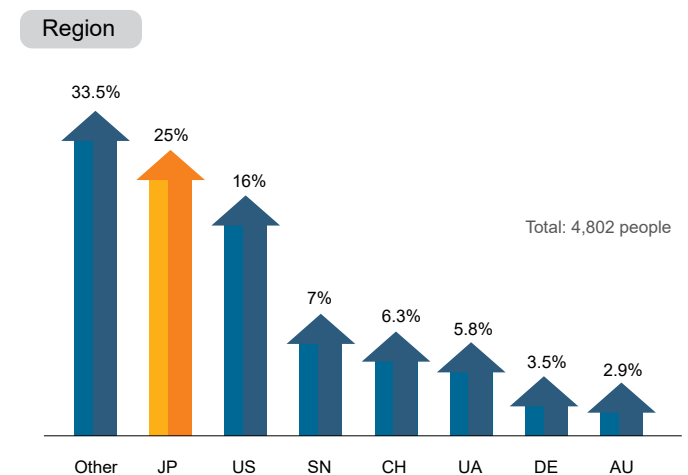
Hence HRD Korea (Human Resources Development Service of Korea) is undertaking efforts to improve overseas employment opportunities for young Koreans through various K-Move programs such as the K-Move School, K-Move Internships, K-Move Matchmaking and K-Move Mentoring. From 2015 to 2016, the amount of outbound of Korean job seekers who found employment abroad saw a significant increase of 65.4% from 2,903 to 4,802 people. The primary destinations were Japan, the United States, and Singapore (Figure 2), while the sectors into which they were hired included office administration, IT, machinery, construction and the electrical industry (Figure 3).

At the same time, the German "Mittelstand" with its 3.6 million companies which accounts for more than 60% of all jobs in Germany has 360,000 job openings. According to the German online portal Spiegel Online, German SMEs are fearing losses due to the lack of skilled labor, especially in the fields of IT, computer science and engineering. Thus, combining the shortage of skilled labor in Germany and the surplus of qualified young job seekers in Korea results in a win-win situation for both countries. Currently, 17 Korean students and recent graduates are participating in the 2016 K-Move Internship program in 11 different companies for a 6-month internship with good possibilities of future employment. Worldwide, HRD Korea aided 170 Koreans to find internships.

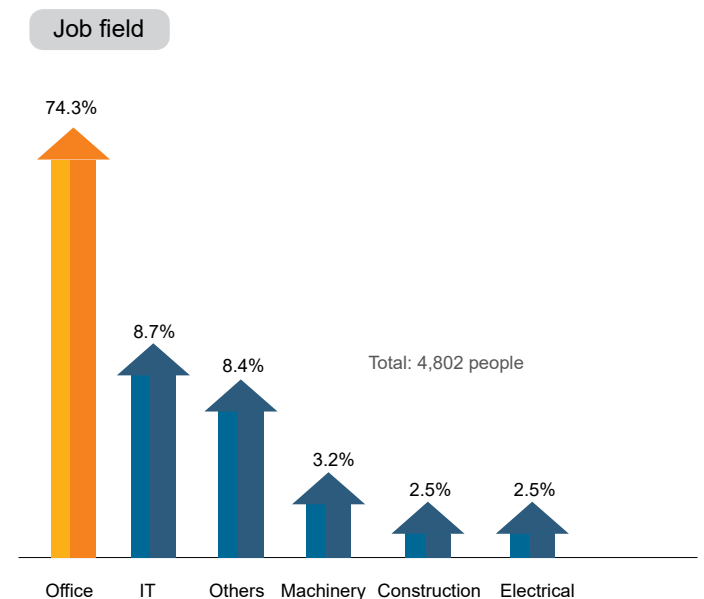
On the back of the success of the K-Move Internship programs in 2015 and 2016, this year's program is soon to get underway. From the end of January until March, HRD Korea will be contacting a broad range of companies with support from KGCCI. Qualified can-



Source: INSEAD (December 2015): Global Talent Competitiveness Index (GTCL) 2015-2016 South Korea- Country Brief, p.1



HRD Korea Statistic, Dispatched Korean job seekers by region in 2016



HRD Korea Statistic, Dispatched Korean job seekers by job field in 2016

didates shall be shortlisted by June and then receive language and intercultural training to prepare them for their time abroad. The internship period is scheduled from July to December 2017. This project has been strengthened thanks to closer cooperation with German government ministries, economic bodies and labor associations helping to expand the scope of employment in Germany.

Yet another future-oriented project is K-Move Foreign Mentoring launched in 2016. As part of this program, 42 foreign experts who have spent most of their life abroad provide mentoring to 120 Korean students and recent graduates who have an interest in a career overseas. The online and offline meetings are held in English or another foreign language instead of Korean. Mentors provide know-how on overseas jobs/startup information to the participants. HRD Korea supports the efforts of the Mentors with a small quarterly honorarium of 500,000 KRW. By initiative of KGCCI, five German mentors chose to donate their honorarium to K-Move Internship

program participants, which not only facilitate their start in Germany but emphasize the importance of projects of this kind for both countries.

If your company is interested in receiving more information on our services and benefits, we cordially invite you to join the upcoming seminar on 25th to 26th April in COEX. More information will be announced in timely manner. In addition, we welcome the opportunity to meet you and discuss our programs and projects with you personally.



Simone Jurecka

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“ Joint Campus Recruiting of German Companies ”

The Korean-German Chamber of Commerce and Industry bi-annually organizes the “Joint Campus Recruiting of German Companies” in order to retain outstanding young professionals in Korea. You will have the opportunity to introduce your company to young people who are interested into German companies and interview potential employees directly. German companies in Korea, who plan to recruit young professionals, are welcome to take part in this joint campus recruiting.

- Location: Korean Universities (TBD)
- Date: mid-May (TBD)
- Each participating company can present their core values and recruiting information.
- The joint presentation will be followed by a 1:1 meeting with young professionals.
- Participation fee: 400,000 KRW (excl. VAT) per University per Company.
- All German companies in Korea are invited to join.



Registration will be open from March 6, 2017.
For more information and registration, please contact Ms. Hee-Seon Lim

Tel: 02-3780-4601 Email: hslim@kgcci.com

KGCCI DEinternational Ltd.

Flexitime jobs to support work-life balance for Korean workers

Ph.D Ji-Min Nam

For a long time, work-life balance has been regarded a luxury in Korea and overtime work has been a pillar in Korea's employment culture. "Going to work" for most Koreans meant more than just working 8 hours a day 5 days a week, as long working hours have been regarded natural. As a result, Korea placed second in annual working hours among OECD countries last year but also showed comparatively low labor productivity. Therefore, it is not surprising that currently 'work-life balance' is a much discussed topic in Korean society. This is accompanied by new phenomenon such as the fact that more and more fathers are willing to go on paternity leave despite having fear of "losing face", and major politicians making pledges about 'parental leave' and 'leaving office on time' laws to improve working conditions.

There are many reasons why perception about work-life balance has changed, some of them may be due to demographic challenges such as low birth rate and aging population which caused Korean society to rethink some of its values. Such change can also be seen on institutional level through the '10 proposals for work innovation', which were presented by the Ministry of Employment and Labor in 2016. These proposals include aspects such as the promotion of active use of annual leaves, establishment of a "reasonable company culture" curtail unnecessary night overtime, refraining from contacting employees after work and the adoption of flexible working hours. "Flexitime jobs" are a suitable solution to tackle some of the most urgent problems caused by the inflexible and rigid working hours in Korea. These jobs could support work-life balance as it enables workers to flexibly adjust their working time according to their needs.

'Flexitime jobs' refer to jobs in which employees can choose to work shorter hours with no discrimination in terms of working conditions. This means that these jobs grant basic working conditions such as subscription to social insurances and equal treatment in relation to full time employees in terms of remuneration and other benefits.



The Korean government provides a variety of subsidies to companies who newly recruit or convert existing full-time workers into flexitime workers. Additionally, free consulting is provided by the Korea Labor Foundation to companies which consider adopting the flexitime system but are having difficulties in developing suitable jobs, operating methods or overall HR management.

When an employee who works 15 to 30 hours per week is newly recruited, up to 600,000 KRW (300,000 for large companies) can be subsidized each month. In case a full-time employee wishes to reduce working hours for a certain period of time for reasons such as child care, personal development, nursing of relatives etc., the employee can get compensation for their reduced wages and the employer can get subsidies through government support for indirect labor cost. Employees can get up to 400,000 KRW per month as compensation for their reduced wage in accordance to their working hours. Employees leaving for parental leave can receive 400,000 KRW per month regardless of reduced working hours. Additionally, SMEs can receive a support of 200,000 KRW monthly as compensation for indirect labor cost, and up to 600,000 KRW can be subsidized monthly if a substitute worker is employed.

Four years have passed since the flexitime job system has been actively promoted by the Korean government. During these four years, the number of companies which are supported by the government increased by 16 times (319 companies in 2013 to 5,193 in 2016), the number of supported workers by 10 times (1,295 in 2013 to 13,074 in 2016), and the amount of subsidies paid by 15 times (KRW 3.4 billion in 2013 to KRW 51 billion in 2016). In particular, the number of companies which introduced the flexitime system to substitute existing employees for parental leave etc. increased to a large extent over 2016. According to surveys conducted by KDI and Korea Employment Information Service, the satisfaction level of employees at companies which adopted the flexitime system was higher than in other companies.

We hope that German companies investing in Korea also have an interest in promoting flexitime jobs and when necessary, are willing to actively adopt the flexitime system to support work-life balance of Korean employees.



Ph.D Nam Ji-Min

Work Culture Improvement Team
Korea Labor Foundation



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BMW X3 xDrive20d M Aerodynamic 배기량 1,995cc, 공차중량 1,745kg, 자동 8단, 복합연비 13.5km/l (도시연비 12.3km/l, 고속도로연비 15.3km/l) 복합CO₂배출량 146g/km, 3등급 BMW X4
xDrive30d M Sport Package 배기량 2,993cc, 공차중량 1,820kg, 자동 8단, 복합연비 12.2km/l (도시연비 11.1km/l, 고속도로연비 13.9km/l) 복합CO₂배출량 163g/km, 3등급 BMW X5 xDrive30d
배기량 2,993cc, 공차중량 2,070kg, 자동 8단, 복합연비 12.3km/l (도시연비 11.1km/l, 고속도로연비 14.3km/l) 복합CO₂배출량 162g/km, 3등급 BMW X6 xDrive30d 배기량 2,993cc, 공차중량
2,065kg, 자동 8단, 복합연비 12.3km/l (도시연비 11.1km/l, 고속도로연비 14.3km/l) 복합CO₂배출량 162g/km, 3등급 *표시된 에너지소비효율은 해당 시리얼의 예시이며, 모델 사양에 따라 다를 수 있음.
으로 정확한 에너지소비효율은 가까운 딜러에 문의하시거나 홈페이지의 정보를 확인하여 주시기 바랍니다. 정확한 모델별 옵션 적용 사항은 가까운 BMW 공식 딜러 전시장에 문의하시기 바랍니다.

나눔, 더 나은 미래의 시작입니다. BMW 코리아 미래재단

"Working & Learning" in Korea – C&M Robotics System

Joo Myo Hee

Many SMEs in Korea face difficulties when finding young workforce with knowledge and skills required for the actual working field. This is often due to the curriculum provided by educational institutions which focus on theoretical aspects of education. C&M Robotics is an innovative young technology company located in Seoul, which develops and sells manufacturing machinery for automated production of precision parts. In 2016, C&M Robotics received the KGCCI Innovation Award in "Workforce Development" for its Young Meisters Program, a vocational education and training program that enhances significantly the employability of high school graduates – especially for SMEs. In this interview, Ms. Joo Myo Hee, CEO of C&M Robotics, is going to share information about this project with us.

KORUM: Ms. Joo, thank you for accepting this interview with us to share information about the "Young Meisters Program". Can you tell us about C&M Robotics and your role in the company?

C&M Robotics is a SME specializing in press-fitting systems, which was founded in 2000. Hyundai Motor Company, TOYOTA, BOSCH, Samsung Electronics, LG Electronics – manufacturers that produce precision device components for automobiles, electronics or mobile phones are our clients. Our products, such as AC Servo Press, Centering Device, and Intelligent Graphic Indicator, and assemble precision components are used in quality management systems. We started off as a family owned business. My brother Joo Sang Wan, an engineer and CTO of C&M Robotics, is in charge of development and manufacturing sector. I, as the CEO, am responsible of company management areas of training.

KORUM: Can you tell us about the "Young Meisters Program" and how it started?

"Young Meisters Program" is a vocational education and training program where we recruit new employees and systematically train them to be the right technician for our company. We need many technicians because we handle the whole process – R&D, production, sales and AS – on our own, applying convergence technology.



Therefore, we have been hiring experienced employees or college graduates, but not high school graduates. Four years ago, senior class students from a technical high school visited our company for a field trip. Mr. Joo, our CTO, himself a graduate of Kumoh Technical High School, has won the gold medal for "machine assembly" at the World Skills Olympics. He is an engineer who studied mechanical engineering and robot engineering in Osaka University, Japan. Upon telling his life story of becoming an entrepreneur after graduating high school and receiving his PhD degree, the students were interested in working for our company. Right at that moment, my brother and I thought, "we should teach these kids how to become technicians." Hoping that one day the students become a Meister, we named them "Young Meister" and decided to call this curriculum "Young Meisters Program". These students had acquired some abilities from school but lacked basic aptitude abilities. Therefore, we organized the curriculum so that they take basic theoretical instruction, such as English, Mathematics, and Physics. We also provided them opportunities to experience various technologies that are actually used in companies. We have invited experts for theoretical and fundamental instruction, and have conducted field education by ourselves, including Mr. Joo and some senior employees. Because we are a small-scale company, we were very flexible with vocational training, adjusting curriculum according to the student's level. Surprisingly, we noticed that they have grown into technicians with field adaptability even more than those who had three years of experience in the job. This way, we realized that the new employees adapt into the field much faster when the company trains them systematically, and that the "Young Meisters Program" would be a solution to labor shortage in our company. We kept on hiring 2nd and 3rd Young Meisters and currently, 11 of those high school graduates are working in various departments of our company.

KORUM: Do you have any similar projects with other companies? What is the T-Plus Academy?

While we were organizing "Young Meisters Program", we figured out that it would be too difficult for a SME to lead a continuous and effective program on its own. So we were thinking that it would be great if some SMEs gather to carry out trainings for students. Just at that moment, the Korean government was looking for Vocational Education and Training centers so we applied and were selected. The name of our training center is T-Plus Academy. "Duale Ausbildung" is a vocational education and training program, in which the company systematically supports their new employees to work and learn at the same time. The government supports all participating companies for the cost needed for training. The "Vocational Education and Training center" provides the participating SMEs with common theoretical instruction or practical training. T-Plus Academy gives administrative support and corporate training to the

participating companies. Since the establishment in January 2015, it has educated 285 workers from 96 companies.

KORUM: What are the biggest challenges Korean SMEs face when hiring qualified workforce such as engineers?

The biggest problem is that there are very few people who can handle the assigned duties on the field, although the company has employed them because of their field of major or qualifications. This is mostly because school education or competency tests focus on theoretical education, rather than the actual technique used on the field. Additionally, because there is a huge income gap between conglomerates and SMEs here in Korea, younger people prefer bigger companies, which leads to a smaller labor pool for smaller companies.

KORUM: In your opinion, what measurements are necessary to improve the situation for Korean SMEs regarding finding good workforce?



We are still looking for qualified human resources, so I cannot say for sure that I know the right standards for improving our current situation. But in my case, I believe that "qualified human resources" are those "with possibility to develop due to an upright character and proper attitudes", rather than those "with exceptionally good skills". If one possesses basic knowledge, then it's more about their personality and attitude than skills. For instance, one has excellent skills but is difficult to get along with. The other with relatively less skills but with better personality and attitude, we choose the latter. Our employees with high school diploma have settled down and are performing very well. Judging by this, I do think that hiring people regardless of their educational background or qualifications, and training them, is a better option to improve the situation.

KGCCI wants to thank Ms. Joo for participating in this interview.

Dual Training Systems in Korea & HR Update

Meet Ms. Joo and learn more about her award winning company at the "Dual Training Systems In Korea & HR Update"

Date: March 21, 2017 3.00 pm – 5.00 pm

Location: T-Plus Academy

A-dong, 401-ho, 168, Gasan digital 1-ro, Geumcheon-gu, Seoul

Participants: CEOs and HR managers



Ms. Joo Myo Hee

CEO of C&M Robotics

HR Services at KGCCI

Hee-Seon Lim

In 2015, KGCCI DEInternational launched its HR Service for member companies. Our HR Managers successfully matched Korean and German nationals with various open positions, from executive level to technicians or office staff. Additional activities include the annual salary survey, the organization of HR circles where HR managers of German companies exchange know-how with each other, trainings and seminars about intercultural exchange/labor law/language courses/tax etc. and the joint campus recruiting of German companies in Korea. For further information, contact Ms. Hee-Seon Lim at hslim@kgcci.com.

KORUM: Frau Lim, was macht die AHK Korea im Personalbereich?

Unsere Tochtergesellschaft ist als staatlich lizenzierter Personal-dienstleister darauf spezialisiert, für deutsche Firmen Fach- und Führungskräfte zu finden. Unsere Kunden sind zumeist Mittelständler, die einen Geschäftsführer für ihr koreanisches Tochterunternehmen suchen. Doch auch Techniker und Vertriebsleute sind gefragt. Besonders häufig arbeiten wir mit Kunden aus der Automobilindustrie, dem Maschinenbau und der Gesundheitsindustrie zusammen. Als Mittler zwischen Deutschland und Korea wissen wir, worauf deutsche Arbeitgeber besonders achten. Gleichzeitig können wir gut einschätzen, ob die koreanischen Bewerber dem Anforderungsprofil entsprechen.

Wir greifen dabei auf ein exzellentes Netzwerk und eine umfang-

reiche Datenbank zurück. Dies schafft das Fundament, um die am besten geeigneten Kandidaten zu finden. Dazu kommt noch: Koreanische Bewerber sind oftmals zurückhaltend, wenn sie den Namen eines Arbeitgebers noch nie gehört haben. Insbesondere deutschen Mittelständlern macht dies zu schaffen, denn sie haben in Korea oftmals nicht den gleichen Bekanntheitsgrad wie in Deutschland. Hier hilft es, wenn hinter der Ausschreibung eine bekannte Institution wie die AHK steht, die bereits seit 1981 in Korea etabliert ist. Als AHK ist es uns wichtig, dass wir deutschen Mittelständler objektiv beraten und zu einem nachhaltigen Geschäftserfolg beitragen.

Weiterhin bieten wir auf unserer Homepage die Jobplattform „JobXchange“ an. Hier finden sich zahlreiche Möglichkeiten für Unternehmen und auch für Bewerber. Unternehmen können eigene Stellenausschreibung hochladen und dann im nächsten Schritt die Bewerbung von den Kandidaten direkt erhalten. Die Arbeitssuchenden hingegen können außerdem ihre eigenen Lebensläufe speichern bzw. anonym hochladen. Unter den anonymen Kandidaten findet sich eine große Vielfalt an Profilen, von Berufseinsteigern bis hin zu vielen Professionals, die bereits mehrjährige Erfahrung im deutsch-koreanischen Wirtschaftsraum vorweisen können.

Um unseren Mitgliedern neutrale Information zukommen zu lassen, führen wir jährlich eine Salary Survey durch. Diese **Salary Survey** richtet sich speziell an die deutschen Unternehmen in Korea. Jedes Mitglied, das an der Survey teilnimmt, erhält detaillierte Informationen zu Gehältern, Boni und Nebenleistungen. Dazu kommt noch eine individuelle Benchmark Auswertung für jedes Unternehmen. Im Mai werden wir unsere Mitglieder wieder über den zeitlichen Ablauf der Salary Survey 2017 informieren und die Anmeldungen eröffnen. Das Ergebnis der Salary Survey erhalten die Mitglieder im Oktober und den Benefit Report im Dezember.

KORUM: Korea leidet unter einer steigenden Arbeitslosigkeit. Ist das auch für die AHK ein Thema?

Das Thema „Arbeitslosigkeit“ interessiert uns als Handelskammer natürlich auch. Wir unterstützen junge Koreaner bei dem K-Move Programm im Rahmen einer Kooperation mit HRD Korea (Human Resource Development). HRD Korea ist eine Organisation der koreanischen Regierung mit der Zielsetzung, koreanischen Young Profes-

sionals einen Praktikumsplatz in Deutschland zu vermitteln. Außerdem fördern wir im Rahmen des K-Move Mentor Programms auch koreanische junge Leute, die gerne erste Erfahrungen im Ausland oder in einem internationalen Unternehmen sammeln möchten. Viele unserer Mitglieder engagieren sich hierbei als Mentoren. Die Aufwandsentschädigung haben die meisten deutschen Mentoren für ein Stipendium gestiftet, um junge Koreaner bei ihrem Praktikum in Deutschland zu unterstützen.

KORUM: Sie führten im November letztens Jahres das erste KGCCI Campus Recruiting mit deutschen Unternehmen durch. Können Sie uns mehr zum Campus Recruiting erzählen? Wird es dieses Jahr wiederholt stattfinden?

Am ersten Campus Recruiting im vergangenen Jahr nahmen Bayer, Beiersdorf, Trumpf und TÜV Rheinland teil. Die Unternehmen und die AHK Korea besuchten dabei angesehene koreanische Universitäten wie die Sogang University, Hanyang University und Hankook University of Foreign Studies. Das Campus Recruiting umfasste Vorstellungen der Unternehmen, deren Unternehmenskultur und Personalwesen. Danach gab es Einzelgespräche mit den Unternehmen, an denen jeweils bis zu 70 Studenten teilgenommen haben.

Deutsche Unternehmen sind zwar in Korea berühmt für ihre innovativen Technologien und hohen Qualitätsstandards. Doch viele koreanische Fachkräfte und Hochschulabsolventen denken bei der Stellensuche zunächst einmal an die heimischen Großkonzerne. Sie sind immer ganz begeistert, wenn sie über die Firmenkultur und die Karrierechancen in deutschen Unternehmen erfahren. Durch das Campus Recruiting können deutsche Firmen ihren Ruf als attraktiver Arbeitgeber stärken und sich direkt mit interessanten Kandidaten austauschen.

Studenten haben die großartige Chance, einen zukünftigen Arbeitgeber kennenzulernen und sich ausführlicher über deutsche Unternehmen zu erkundigen. Bei offenen Gesprächen mit Mitarbeitern aus der Personalabteilung können sie so Einblicke in die Unternehmenskultur, Technologie, Produkte und Aktivitäten der Unternehmen erhalten. Die Gespräche umfassen auch ein konstruktives Feedback zu den Lebensläufen und Bewerbungsschreiben der Studenten. Weiterhin können sich Studenten darüber informieren, welche Fähigkeiten und Kenntnisse seitens der Unternehmen verlangt werden, um sich so besser vorzubereiten. Erfreulich ist auch, wie offen und entgegenkommend die einzelnen Universitäten dieses neuartige Konzept reagiert haben. Dies zeigt, dass ihnen die Karrierechancen der Absolventen am Herzen liegen.

Aufgrund der großen Resonanz der Firmen, Studenten und Unis planen wir für 2017 zwei weitere Runden, an denen dann weitere deutsche Firmen teilnehmen können. Das nächste Campus Recruiting soll Mitte Mai durchgeführt werden. Die AHK Korea wird die Mitglieder Anfang März informieren.



KORUM: Was für Differenzen gibt es zwischen deutschen und koreanischen Unternehmen, und wie wirken sich diese bei der Personalsuche aus?

Es gibt bestimmte Differenzen zwischen deutschen und koreanischen Unternehmen bei der Personalsuche. Besonders auffällig ist das Personenprofil, welches die Arbeitgeber von den zukünftigen Arbeitnehmern erwarten. Deutsche Unternehmen legen einen großen Wert auf Soft Skills und sehen diese als wichtiges Kriterium für eine erfolgreiche Bewerbung an. Ein Beispiel dafür ist die Kommunikationsfähigkeit. Das heißt: Angestellte sollten in der Lage sein, ihre eigene Meinung zu äußern und diese argumentativ und logisch darzustellen. Weiterhin nehmen auch selbstständiges Arbeiten und Eigeninitiative eine wichtige Rolle für Arbeitgeber ein, wenn sie neues Personal rekrutieren. Außerdem wird auch eine hohe Problemlösungskompetenz erwartet und die Fähigkeit, Projekte eigenständig zu planen und durchzuführen. Koreanische Unternehmen sind eher auf der Suche nach Angestellten, die sich in existierende Strukturen anpassen und sich harmonisch in das Unternehmen integrieren können. Es gibt klare Strukturen, die Entscheidungsprozesse bestimmen und somit schnelles Handeln ermöglichen. In deutschen Unternehmen sind die Hierarchien flacher, Titel und Dauer der Betriebszugehörigkeit spielen eine geringere Rolle.



Bei der Einstellung von Hochschulabsolventen führen koreanische Unternehmen meistens Einstellungsgespräche zum Ende eines Semesters durch, damit sie so zeitgleich eine Vielzahl an qualifizierten Bewerbern und Studenten treffen und mit ihnen intensive Gespräche führen können. Koreanische Großunternehmen haben für diesen Prozess eigene Prüfungssysteme für die Rekrutierung eingeführt, um damit die besten Kandidaten auswählen zu können. Im Gegensatz dazu führen deutsche Unternehmen in Korea oftmals dann Bewerbungsgespräche durch, wenn ein entsprechender Personalbedarf besteht. Daher ist es für die Bewerber wichtig, die gewünschten deutschen Unternehmen frühzeitig in Betracht zu ziehen und sich über mögliche Stellen zu informieren.

KORUM: Neben den HR Dienstleistungen bietet die AHK Korea auch Seminare an. Was für Seminare bieten Sie den Mitgliedern an?

Ein Dauerbrenner sind die interkulturellen Seminare. Sie richten sich zum einen an Deutsche, die noch besser mit ihren koreanischen Kollegen, Mitarbeitern und Kunden zusammenarbeiten möchten. Zum anderen bieten wir Seminare für koreanische Mitarbeiter an, damit diese den Führungsstil und die Unternehmenskultur ihres deutschen Arbeitgebers besser verstehen können. Zu einer besseren Verständigung trägt natürlich auch Sprache bei. Wir bieten dazu regelmäßig Koreanisch-Kurse für Anfänger und Fortgeschrittene an. Neben Seminaren zu Soft-Skills haben wir in der letzten Zeit auch das Angebot an thematischen Seminaren deutlich ausgeweitet. Hier arbeiten wir zumeist mit Anwälten und Steuerberatern aus unserem Mitgliederkreis zusammen. Der Seminarkalender ist auf unserer Webseite abrufbar.



Hee-Seon Lim

Manager - HR-Services
KGCCI DEInternational Ltd.

Dual Vocational Training – a chance for the future of young people in Korea

Susanne Wöhrle

Dual Vocational Training is an important pillar in the education system of Germany. It is proven that it helps to keep the unemployment rate among young people low. It is also an opportunity to start a career with fundamental practical knowledge which can then be also be used as the basis for postgraduate studies or Meister Programs.

What else makes Dual Vocational Training so valuable for the economy?

The combination of training on the job and academic education

One major characteristic for Dual Vocational Training is that it works as a tandem – 70 % of the time is dedicated to training on the job, another 30% are reserved for academic education. The focus on training on the job is the practical side of the profession. The Vocational School is focused on the theoretical side of the edu-

cation which means giving the trainees the theoretical background of the practical content. The academic education can either be organized on 1-2 days per week or in longer periods.

The aim of the training on the job is to meet the particular needs of the companies. The guiding principle is "from business – for business". The development of fundamental practical skills is the most important goal. Therefore, the curriculum for the training on the job is developed with the help of experienced professionals. In addition, they give the input for the content of the exams.

Having a say in the process increases the acceptance of dual vocational training among companies.

Vocational Training Committees make sure that the curriculum used in the vocational school and the curriculum used for on the job training is aligned.

Nationwide standardized curriculum for training on the job and corresponding exams

The training on the job follows a national standardized curriculum. The nationwide standard and officially recognized degrees guarantee the quality of the Dual Vocational Training, which benefits both employers and employees.

It is a good orientation for companies if they hire new employees. They can trust that job candidates who have successfully completed Dual Vocational Training have acquired fundamental knowledge in their profession. In addition employees who are seeking for new challenges find a new job much easier.

This represents a win-win situation for both sides and is yet another reason why Dual Vocational Training is so widely accepted in Germany.

The curriculum is not set in stone, but gets updated in order to stay abreast of latest developments

The curriculum for Dual Vocational Training is a constant work in progress. The factors which drive this process are:

- technical progress
- changes in job requirements
- changes in the economy
- changes in culture and society

The curriculum is either modernized or even newly created depending on the needs and requirements of business and the labor market. Having employees whose skills are up-to-date is one of the drivers of the German economy.

You can find Dual Vocational Training in all areas of the economy. The duration of Dual Vocational Training is between 2 and 3.5 years.

Alignment of Curriculum used in companies and in Vocational Schools

There is a very close cooperation between experts who develop the curriculum for companies and experts who develop the curriculum of the Vocational Schools. With every further development, not to mention whole new professions, the curriculum for Vocational Schools has to be changed in order to be still up-to-date. In this way practical education and academic education are supporting each other.

Each company has a Vocational School as partner for Dual Vocational Training. In order to achieve the best results for the trainees, these two partners are collaborating closely. This is a further component for securing the high quality standard of Dual Vocational Training.

Qualifying trainers

Prerequisites for the training of young people are professional skills as well as personal ability. In Germany this is a requirement by law. This means that trainers must not only possess professional experience but also pedagogical skills. Future trainers need to attend a workshop and earn a certificate. Fulfilling these requirements guarantees that the individual needs of the trainees are taken into account.

Chambers of Commerce and Industry safeguard the quality of Dual Vocational Training

The Chambers of Commerce take over various functions within the Dual Vocational Training. First of all they are consultants for the companies participating in Dual Vocational Training. They monitor the Dual Vocational Training in many aspects. The Chambers of Commerce and Industry determine the expertise of companies and trainers involved in Dual Vocational Training. In addition, they register the trainees and conduct nationwide exams.

All these measures are yet another piece for securing the high quality of Dual Vocational Training.

In the face of rising youth unemployment, Dual Vocational Training can give young Koreans the job skills they need to secure a career. Building upon the existing "Ausbildungspakt" between Germany and Korea, German companies can play a leading role in implementing this system in Korea. This would also boost the image of German companies operating in Korea.



Ms. Susanne Wöhrle

Project Manager Ausbildung
Vocational Training
KGCCI DEinternational Ltd.

Korea schraubt Wachstumsprognosen nach unten

Zentralbank BOK prognostiziert real 2,5% für 2017 / Direktinvestitionen und Exporte waren 2016 rückläufig

Alexander Hirschle

The Bank of Korea revised the Korean GDP growth expectations from 2.8% to 2.5% in January this year. This will mark the second year after 2016 that the Korean economy showed a growth rate below 3%. Important pillars of the Korean economy such as exports and machinery are facing decreasing market activities.

Die koreanische Zentralbank BOK (Bank of Korea) hat im Januar 2017 ihre Prognosen für das reale BIP im laufenden Jahr von zuvor 2,8% auf nur noch 2,5% nach unten reduziert. Doch selbst dieser Wert dürfte nur schwer zu erreichen sein. Denn in den Vorjahren lagen die realisierten Zahlen deutlich unter den ursprünglichen offiziellen Prognosen. Private Institute sehen für 2017 sogar noch niedrigere Steigerungsraten des BIP von bis zu 2,1% voraus. Darüber hinaus zeichnet es sich bisher noch nicht ab aus welchen Segmenten entscheidende Wachstumsimpulse herrühren könnten.

Im Jahr 2016 hatten einstige Konjunkturmotoren der koreanischen Wirtschaft mit erheblichen Schwächephase zu kämpfen. So sanken die Exporte nominal um 5,9%, nachdem bereits 2015 ein Rückgang von 8,0% hingenommen werden musste. Es war das erste Mal in den letzten 58 Jahren, dass die Ausfuhren zwei Jahre in Folge Einbußen hinnehmen mussten.

Exporte in die VR China mit fallender Tendenz

Der Export ist mit einem Anteil am BIP von rund 40% ein ganz entscheidender Wachstumsfaktor in Korea. Die Ausfuhren in Kernindustrien wie Schiffbau, Elektronik und Kfz zeigten 2016 jedoch ebenso nach unten wie die Exporte in das wichtigste Abnehmerland, VR China, auf das 25% der koreanischen Ausfuhren entfallen. Im vergangenen Jahr sanken die Exporte in die VR China um fast 10%, darüber hinaus treten chinesische Firmen auf Drittmärkten immer stärker in Konkurrenz zu koreanischen Herstellern.

Die Ausrüstungsinvestitionen wiederum hatten noch bis 2015 reale Steigerungsraten von mehr als 5% erzielen können; 2016 lagen sie jedoch mit -3,3% erstmalig nach längerer Zeit wieder im roten Bereich. Wichtige Impulsgeber der koreanischen Industrie hatten 2016 mit erheblichen Problemen zu kämpfen. So sanken die Bauprojekte im Ausland um fast 40%, nachdem sie bereits 2015 einen Rückgang von rund 30% registrieren mussten.

Ausländische Direktinvestitionen in Korea brechen ein

Der Zufluss ausländischer Direktinvestitionen ging 2016 um 41% zurück, wobei vor allem die Engagements aus der VR China und den USA stark nachgelassen haben. Die Kapazitätsauslastung der koreanischen Industrie erreichte im Herbst 2016 mit Werten von knapp über 70% den niedrigsten Stand seit 18 Jahren. Kernbranchen der koreanischen Industrie befinden sich in einem Restrukturierungsprozess, der von Kostenreduzierungen und dem Auslagern von Unternehmensbestandteilen, zum Teil auch ins Ausland, dominiert wird.

Der private Konsum zeigte sich 2016 mit einer Steigerungsrate von real 2,4% relativ robust. Er wird aber mittelfristig keine großen Impulse liefern aufgrund limitierender Faktoren wie niedrigen Geburtenraten und einer hohen Verschuldung der privaten Haushalte. Letztere hat auch 2016 mit 165% des verfügbaren Einkommens wie der einen neuen Negativrekord erreicht.

Das Wachstum wurde 2016 vorwiegend von den Bauinvestitionen gerettet, die real um satte 10,9% zulegen konnten. Allerdings ist ein solch asymmetrisches Wachstum nicht nachhaltig, zumal sich die Bauindustrie 2017 deutlich weniger dynamisch entwickeln wird.

Wirtschaftliche Entwicklung von Korea im Zeitraum 2015 bis 2017

Veränderung gegenüber dem Vorjahr in %

	2015	2016 ¹⁾	2017 ²⁾
BIP ³⁾	2,6	2,7	2,5
Privater Verbrauch ³⁾	2,2	2,4	2,0
Bruttoausrüstungsinvestitionen ³⁾	5,3	-3,3	2,8
Bauinvestitionen ³⁾	3,3	10,9	4,3
Exporte ⁴⁾	-8,0	-5,9	4,3
Importe ⁴⁾	-16,9	-7,1	8,0

1) Schätzung; 2) Prognose; 3) real; 4) nominal

Quelle: BOK (Bank of Korea)



Aussichten für 2017 sind gemischt

Einige Indikatoren zeigten im 4. Quartal 2016 leichte Aufwärtstrends, wie unter anderem Exporte, Industrieproduktion und die Betriebsergebnisse der börsennotierten Firmen. Ob diese positiven Momentaufnahmen allerdings schon erste Anzeichen für einen nachhaltigen Aufschwung darstellen, bleibt abzuwarten.

Denn die Rahmenbedingungen für 2017 stellen sich nicht sonderlich vielversprechend dar. Zwar prognostiziert die Zentralbank für Exporte wie auch Ausrüstungsinvestitionen wieder positive Wachstumsraten. Im Inland drückt jedoch die unsichere politische Lage auf den Konsum wie auch auf die Investitionsbereitschaft der Unternehmen. Der Trend in der koreanischen Firmenlandschaft ist weiterhin geprägt von Restrukturierungsmaßnahmen wie auch von Ungewissheiten in der Außenwirtschaft.

Gemäß einer Umfrage des Verbands KEF (Korea Employers Federation) sehen fast 50% der befragten Unternehmen einen signifikanten Aufschwung der koreanischen Wirtschaft nicht vor 2019. Von Seiten

der VR China wird mit immer härteren Bandagen gekämpft; die lokalen Medien beklagen eine zunehmend ablehnende Haltung im Reich der Mitte gegenüber Produkten und Dienstleistungen "Made in Korea". Die Entwicklung in den USA bleibt abzuwarten. Die BOK rechnet mit einer steigenden Nachfrage nach koreanischen Erzeugnissen aus großen Schwellenländern wie Vietnam, Indonesien und Indien. Grundsätzlich dürfte das koreanische Wachstum in den kommenden Jahren ohne Sonderfaktoren nur schwer die Hürde von 3% überschreiten. An dieses neue Szenario müssen sich lokale wie auch internationale Firmen erst noch gewöhnen. Dennoch bietet das ostasiatische Land aufgrund seiner breiten industriellen Basis und einer IT-Infrastruktur auf Weltklasseniveau weiterhin gute Geschäfts- und Kooperationsmöglichkeiten in Zukunftsbereichen wie Internet der Dinge, Industrie 4.0, oder selbstfahrende Fahrzeuge.



Alexander Hirsche

Representative Correspondent
Germany Trade and Invest

Branche kompakt: Koreanischer Markt für Medizintechnik wächst stark

Schwache Konjunktur dämpft Lieferchancen

Alexander Hirsche

The domestic market and the production of medical technology in Korea showed significant growth rates in the past two years. However, the import of foreign products remained comparatively static and due to the economic slowdown, the perspectives for foreign suppliers are rather moderate. The demographic development of the country and its aging population will increase demands in the health care sector on the long term.

Demographische Entwicklung sorgt für höhere Nachfrage

Der koreanische Markt für Medizintechnik ist 2015 auf Basis der Landeswährung KRW um 5,8% gewachsen. Das gesamte Marktvolumen belief sich auf 5.266 Mrd. KRW (circa 4.196 Mrd. Euro; durchschnittlicher Wechselkurs 2015: 1 Euro = 1.255 Won). Bereits 2014 hatte der Markt – nach einer Stagnation 2013 – um 7,4% zugelegt. Die Produktion von medizinischen Geräten in Korea konnte 2015 sogar um 8,6% auf 5.001 Mrd. KRW ausgebaut werden, nachdem bereits im Vorjahr ein Plus von 9,0% erwirtschaftet worden war.

Trotz der guten Entwicklung des Gesamtmarktes wirkt sich die aktuell schwache Binnenkonjunktur in Korea zunehmend auf die

Lieferperspektiven im Bereich Medizintechnik aus. So werden die Budgets der überwiegend staatlichen Krankenhäuser nach Aussagen von Unternehmensvertretern nicht mehr so hoch wie in der Vergangenheit angesetzt, was unter anderem zu einer Verlängerung der Nutzungsdauer von Geräten und einer niedrigeren Nachfrage führt. Auch verschärft das im September 2016 implementierte Gesetz "Kim Young Ran Act" bisherige Richtlinien zur Korruptionsbekämpfung und hat eine vorsichtige und abwartende Durchführungspraxis

Der Markt für Medizintechnik in Korea

	2014	2015	Veränderung 2015/14 Veränderung in %
Lokale Produktion (in Mrd. Won)	4.605	5.001	8,6
Lokale Produktion (in Mio. US\$) *)	4.373	4.418	1,0
Import (in Mio. US\$) ¹⁾	2.928	2.943	0,5
Export (in Mio. US\$) ¹⁾	2.577	2.705	5,0
Marktvolumen (in Mio. US\$) ¹⁾	4.725	4.652	-1,5
Marktvolumen (in Mrd. Won)	4.975	5.266	5,8

*) umgerechnet zum Wechselkurs 1 US\$ = 1.053 KRW (Durchschnitt 2014); 1.132 KRW (Durchschnitt 2015)

Quellen: Ministry of Food and Drug Safety (MFDS), KEB Hana Bank, Berechnungen von Germany Trade & Invest

bei Ausschreibungen zur Folge.

Ältere Bevölkerung führt zu höheren Gesundheitskosten

Mit dem zunehmenden Wohlstand und einer gestiegenen Lebenserwartung wachsen die Ansprüche der Koreaner an die medizinische Versorgung. Die Gesundheitskosten steigen. Noch 2005 lag deren Anteil bei 4,7% der durchschnittlichen Ausgaben eines Haushalts, zehn Jahre später bei 5,2%. Die Geburtenrate Koreas erhöhte sich 2015 zwar leicht von 1,21 im Vorjahr auf 1,24. Sie liegt damit jedoch deutlich unter der Reproduktionsrate von 2,1 und am unteren Ende des OECD-Rankings. Insbesondere durch die schnelle Alterung der Bevölkerung werden sich große Herausforderungen für das Gesundheitssystem ergeben.

Bis 2060 dürften den Hochrechnungen von Statistics Korea zu Folge die über 65-jährigen mehr als 40% der Gesamtbevölkerung Koreas ausmachen. Knapp 37% der ärztlichen Behandlungskosten entfielen 2015 auf diese Altersgruppe bei einem Anteil von 13,2% an allen Versicherten im gesetzlichen Krankensystem Koreas. Die Behandlungskosten für diese Bevölkerungsgruppe erhöhten sich 2015 um 10,4%, die gesamten Kosten in Höhe von 66,0 Bill. KRW waren um 6,4% gestiegen.

Branchenexperten sehen einen Mangel an Altersheimen, da bisher die häusliche Pflege häufig noch traditionell im familiären Umfeld erfolgte. Doch steigende Kosten, Fokussierung auf Ein-Kind-Familien und zunehmende Berufstätigkeit der Frauen führen dazu, dass sich dies immer stärker wandelt. Noch 2008 lebten 38% der Eltern in Korea bei ihren Kindern, 2015 fiel dieser Wert mit 29,2% erstmals unter die Schwelle von 30 Prozent. Die Kapazitäten in Pflegeheimen erreichen im Vergleich zu Deutschland nur rund ein Sechstel.

Vernetzung der Geräte wird ausgebaut

Die koreanische Regierung will die Nutzung von Robotern unter



anderem im Medizintechnikbereich künftig stärker fördern. Im November 2016 gab das Ministerium MOTIE (Ministry of Trade, Industry and Energy) bekannt, bis 2020 gemeinsam mit Privatfirmen knapp 430 Mio. USD in die Entwicklung von Robotertechnologie zu investieren. So sollen etwa zehn bis 15 Roboter in Krankenhäusern zum Transport von Geräten und Betriebsmitteln eingeführt und weitere 5 bis 10 solcher Maschinen bei Patientenbehandlungen eingesetzt werden. Bis 2018 sollen auch fünf lokal produzierte Operationsroboter in staatlichen Krankenhäusern zum Einsatz kommen.

Besonders starkes Wachstum dürften künftig vor allem nicht-invasive und minimalinvasive Analysegeräte und Behandlungsapparate insbesondere für ältere Menschen zeigen. Gute Geschäftsmöglichkeiten werden sich auch im Bereich der Vernetzung von Geräten, die immer mehr zum Standard wird, ergeben. Das Marktvolumen der Telemedizin in Korea wird bis 2018 auf 7,3 Mrd. USD geschätzt. Allerdings wurde ein Gesetzentwurf bezüglich der umfassenderen Nutzung von Telemedizin schon vor Jahren beim Parlament eingebracht, bis November 2016 allerdings noch nicht verabschiedet.

Lokale Branchenstruktur

Dentalimplantate und bildgebende Systeme dominieren lokale Produktion

Nach Angaben des Ministeriums MFDS (Ministry of Food and Drug Safety) gab es 2015 2.992 inländische Hersteller von medizinischen Geräten und Ausrüstungen in Korea, die insgesamt 13.424 verschiedene Erzeugnisse produzierten. Die Branche zeichnet dabei für 0,3% des Bruttoinlandsprodukts und 1,2% des Outputs der verarbeitenden Industrie in Korea verantwortlich. Bei der lokalen Produktion waren 2015 Dentalimplantate (648,0 Mrd. KRW) vor bildgebenden Systemen mit Ultraschall (441,7 Mrd. KRW) die wichtigsten Erzeugnisse.

Insgesamt stellt Korea vor allem einfachere medizinische Geräte her. Samsung konzentriert sich angesichts der Marktsättigung bei Smartphones verstärkt auf den Gesundheitssektor. Allerdings sorgte die Medizintechniksparte Samsung Medison zuletzt mit rückläufigen Absatzzahlen und Verlusten für Negativschlagzeilen.

Rahmendaten zum Gesundheitssystem in Korea

Indikator	Wert
Einwohnerzahl (2015 in Mio.)	50,8
Bevölkerungswachstum (2015 in % p.a.)	0,1
Altersstruktur der Bevölkerung (Jahr)	
Anteil der unter 14-Jährigen (in %)	13,9
Anteil der über 65-Jährigen (in %)	13,2
Durchschnittliche Lebenserwartung bei Geburt (2015 in Jahren)	82,4
Durchschnittseinkommen (2015 monatlich in Euro)	2.781
Gesundheitsausgaben pro Kopf (2014) in Euro	1.477
Anteil der Gesundheitsausgaben am BIP (2014 in %)	7,4
Ärzte/100.000 Einwohner (2015)	229

Quellen: Statistics Korea, Ministry of Health and Welfare; Health Insurance Review and Assessment Service; OECD; IWF; World Bank

Das Unternehmen will als Reaktion auf diese Entwicklung neue Geschäftsfelder ins Visier nehmen wie etwa Tierdiagnosegeräte.

Branchenbeobachter teilen die Einschätzung, dass Samsung sich auf Premiumprodukte fokussieren muss, die Entwicklung von Kerntechnologien im Medizinbereich in den vergangenen Jahren allerdings nicht wie erwartet vorangeschritten ist. Aus diesem Grund kursieren Gerüchte in den Medien, dass Samsung seine Sparte abstoßen oder in die Tochter Samsung Electronics integrieren könnte. Die Gesellschaft LG Electronics wiederum plant Presseberichten zu Folge verstärkte Aktivitäten im Bereich Medizintechnik vor allem bei Operationsmonitoren und digitalen Röntgendetektoren.

Außenhandel

Importe stagnieren, Einfuhren aus Deutschland rückläufig

Korea exportierte 2015 Medizintechnik im Wert von 2,7 Mrd. USD, was einem Anstieg von 5,0% entsprach. Die Importe zogen nur leicht um 0,5% auf 2,9 Mrd. USD an, woraus sich ein Handelsbilanzdefizit von etwas mehr als 200 Mio. USD ergibt. Während Korea seinen Bedarf an einfacher Medizintechnik vielfach aus eigener Produktion decken kann, ist das Land bei technologisch fortgeschrittenen Geräten stark importabhängig. Die aktuellen Wachstumsperspektiven für Importe werden von Branchenvertretern als maximal moderat eingestuft.

Die größten internationalen Lieferanten waren 2015 die USA (1.374,4 Mio. USD), vor Deutschland (442,9 Mio. USD), Japan (307,4 Mio. USD) und der VR China (141,0 Mio. USD). Die Importe aus Deutschland gingen nach einem starken Anstieg von 21,0% im Vorjahr 2015 um 9,0% zurück. Die wichtigsten im Ausland bezogenen Branchenerzeugnisse Koreas waren dabei weiche Kontaktlinsen (124,6 Mio. USD), Gefäßstützen (Stents, 122,0 Mio. USD), Einweg-Dialysatoren (69,8 Mio. USD), Knieprothesen (65,0 Mio. USD), intravaskuläre Katheter (63,7 Mio. USD) und MRT-Systeme (63,6 Mio. USD).

Geschäftspraxis

Der Einstieg in den koreanischen Markt gelingt in der Regel am besten über einheimische Importeure. Gute persönliche Beziehungen zu den Entscheidungsträgern sind eine Grundvoraussetzung für den geschäftlichen Erfolg. Andere wichtige Kriterien sind eine hohe Produktqualität, ein guter After-

Sales-Service und wettbewerbsfähige Preise. Das öffentliche Ausschreibungswesen wird von Firmenvertretern als relativ transparent im asiatischen Kontext bezeichnet.

Da die Privatisierung im Krankenhausbereich noch nicht weit fortgeschritten ist, sind staatliche Hospitäler im Regelfall die Hauptzielgruppe für internationale Firmen. Die Geräte in Korea sind im Allgemeinen nicht überaltert, der Austausch erfolgt im Regelfall nach acht bis zehn Jahren. Allerdings gibt es dabei erhebliche Unterschiede zwischen großen und Universitätskliniken auf der einen sowie einfachen Krankenhäusern in ländlichen Regionen auf der anderen Seite. Dort können sich die Nutzungszeiten auf bis zu 20 Jahre belaufen. Im seit Juli 2011 angewendeten Freihandelsabkommen zwischen der EU und Korea wurde ein vollständiger Zollabbau für alle Industriegüter innerhalb von sieben Jahren vereinbart. Die konkreten Zollsätze können in der Market Access Datenbank der EU (<http://madb.europa.eu>) unter dem Stichwort "Tariffs" abgerufen werden. Der Präferenzzollsatz "EU" gilt jedoch nur für Ursprungswaren der EU.

Führende Branchenunternehmen in Korea

Produktion in Mrd. KRW, Veränderung in

Unternehmen	Produktion 2015	Veränderung 2015/14	Internetadresse
Osstem Implant (Dentalimplantate)	485,0	24,2	http://www.osstem.com
Samsung Medison (Ultraschallgeräte)	254,7	-7,48	http://www.samsungmedison.com
GE Ultrasound Korea (Ultraschallgeräte)	123,3	-5,4	http://www.gehealthcare.com/krko/uskorea/index.html
Vatech (Dentalgeräte)	95,6	11,4	http://www.vatech.co.kr
Dentium (Dentalgeräte)	93,9	25,9	http://www.dentium.co.kr
Siemens Healthcare (Ultraschallgeräte)	89,1	3,1	http://www.siemens.co.kr
Samsung Electronics (Diverse)	80,4	-1,0	http://www.samsung.com
Nuga Medical (Röntgenapparate)	52,1	-32,9	http://www.nugamedical.com

Quellen: MFDS, Recherchen von Germany Trade & Invest

Einfuhr ausgewählter medizintechnischer Produkte nach Korea

in Mio. USD

SITC-Pos.	Warenbenennung	2014	2015	davon aus Deutschland (2015)
774.1	Elektrodiagnoseapparate und -geräte	281,7	299,9	43,6
774.2	Röntgenapparate etc.	446,2	472,5	98,6
741.83	Sterilisierapparate	16,3	17,3	0,3
785.31	Rollstühle	9,6	9,9	1,0
872.1	Zahnmedizinische Instrumente; a.n.g.	67,8	68,7	19,6
872.21	Spritzen, Nadeln, Katheter, Kanülen etc.	373,1	394,8	8,4
872.25	Ophthalmologische Instrumente	71,7	64,1	13,6
872.29	Andere Instrumente, Apparate und Geräte	707,9	713,5	96,8
872.3	Therapiegeräte, Atmungsgeräte etc.	215,7	291,8	8,4
872.4	Medizinmöbel	18,6	17,9	2,0
899.6	Orthopädietechnik, Prothesen etc.	592,1	599,1	44,3

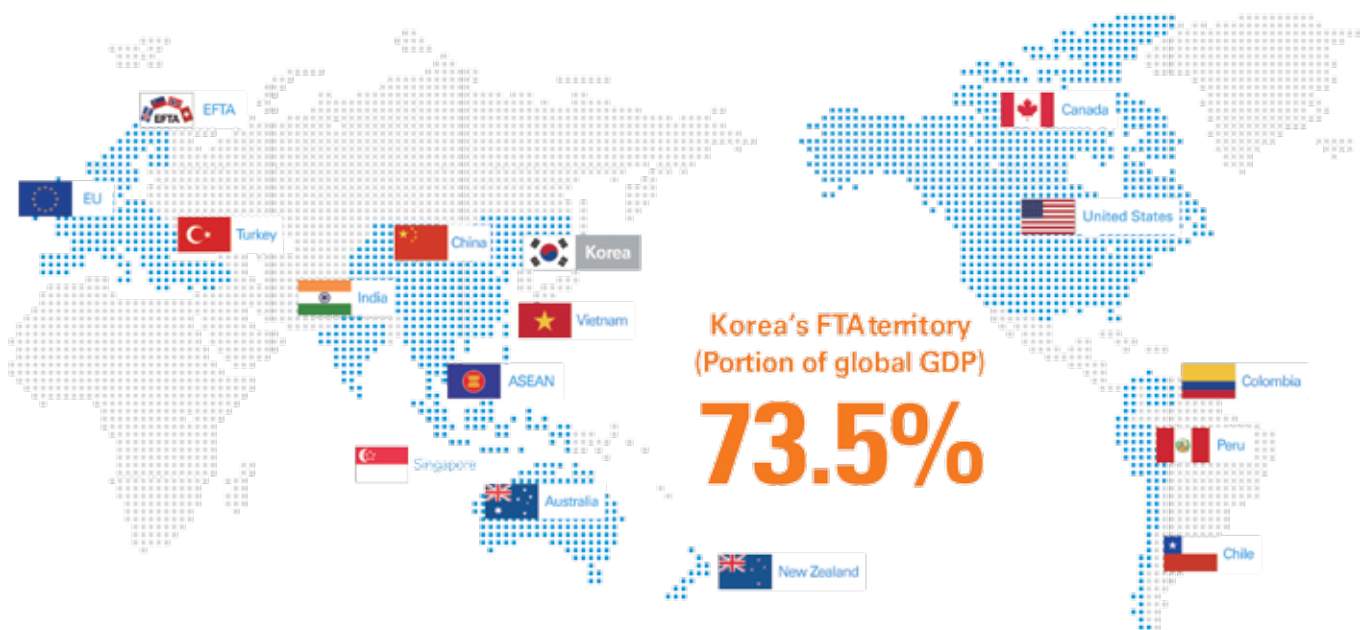
Quelle: Koreanische Zollstatistik, Kotis

Korea's Free Economic Zones: Making business easier



Korea's FTA network

■ In effect (15)





Korea was once referred to as "the hermit kingdom." These days, things are very different: Korea's geographical position makes it the most efficient economic hub from which to reach not only China and Japan, but also the rest of Asia. Now, the country is embracing its centrality by developing Korean Free Economic Zones (KFEZ) to fully exploit its enviable potential. The eight Free Economic Zones—Incheon, Busan-Jinhae, Gwangyang Bay Area, Yellow Sea, Daegu-Gyeongbuk, East Coast, Chungbuk and Saemangeum-Gunsan—are distributed throughout Korea to suit the needs of enterprising businesses. In these areas, the Korean government has gone to remarkable lengths to create a business-friendly environment.

Korea has free-trade agreements with a whopping 52 countries, which tops the list of reasons for companies wanting to do business there. To many outsiders, it would seem counterintuitive for a Chinese company to set up shop in Korea. Not so, says Lu Xianyu, CEO of the Chinese baby-formula manufacturer HAM. While it's true that wages and production costs are lower in China, he cites Korea's impressive number of free-trade agreements (FTAs) as the basis for his decision to move his operations to the Gwangyang Bay Area Free Economic Zone (GFEZ).

"China doesn't have as many FTAs," he explains, "so exporting my products to other countries is more easily done here." Korea's free trade access to more than 10 countries with populations exceeding 50m adds lustre to these agreements. For Mr Lu, China is still close by, and operating in Korea puts his target markets in Indonesia and the Philippines within easier reach.

Development is still ongoing for many of Korea's economic zones, but the government has already spent billions of dollars on facilitat-

ing the high-tech, international business, leisure and tourism hubs that are emerging there. Korea's infrastructure and public-transport systems have long been widely admired; further improvements will be a key advantage for businesses that want to reduce operating costs, shorten delivery times and provide better customer service.

The cities that host the zones have attracted numerous companies from all over the world, which benefit from the skills of highly educated Korean workers. Even outside of central Seoul, good workers are easy to find and retain. "When we moved [to Incheon] from Seoul, no one left the company," says Martin Rotermund, managing director of Rittal Korea. He points out that when it comes to recruiting new personnel, the Incheon Free Economic Zone (IFEZ) also has a highly qualified workforce. "There are quite a few universities in this area. Our relocation to IFEZ is not something that has affected our ability to hire good labour."

One of the universities in IFEZ is SUNY Korea, part of the State University of New York system. Because courses there are taught by faculty from Stony Brook in Long Island, and students undergo the same selective process as those who apply to any other SUNY school, a SUNY Korea degree is identical to those given in the United States. This has generated a great deal of public interest for the university. James F. Larson, the vice-president of academic affairs at SUNY Korea, says it is the "best-kept secret in study abroad." Many of its students are bilingual or even trilingual, which makes them highly prized in the global economy. "What we're building here", says Mr Larson, "is a program that will be internationally competitive." Similar scenarios are playing out in Korea's other Free Economic Zones, where higher-education campuses have also been a visible presence.

In the Free Economic Zones, Korea has taken concerted action to make business and living environments friendly to domestic firms with investments abroad, and conducive to international business. Tax breaks, financial support and other incentives are on offer. "The government has created a good environment for doing business," says Mr Lu, reflecting on his experience in GFEZ. Mr Rotermund of Rittal shares his enthusiasm. "When we received the proposal from IFEZ to establish our own building here, we recognised it as a good financial opportunity," he says. "We could not wish for much more."

For more information on doing business in the Korean Free Economic Zones (KFEZ), please visit www.fez.go.kr or www.investkorea.org. You can also contact one of the North American offices of KOTRA (the Korea Trade-Investment Promotion Agency). For details, go to english.kotra.or.kr.



www.fez.go.kr

News and People

■ Mr. **Gerd Bitterlich**, former **CFO** at Fujian Benz Automotive Co. Ltd. took over the position of CFO at **Mercedes-Benz Korea** as of February 1, 2017. During his term at Fujian Benz Automotive Co. Ltd., he significantly contributed to a successful localization and launch of Fujian Benz Automotive Co. Ltd.'s major product line of mid-size vans and played a leading role in the recent company restructuring process that led to the cooperation with the passenger cars distribution network. Prior to his current position, Gerd had various assignments at Mercedes-Benz headquarters and Mercedes-Benz Bank in the areas of sales controlling, sales strategy, dealer development and digitalization. In 2007, Gerd held his first CFO position at Mercedes-Benz Luxembourg S.A. and from 2011 till 2014 he moved to Sales & Marketing and served as the Head of the China Region East at Beijing Mercedes-Benz Sales Service Co. Ltd.



■ Ms. **Min Jeong Kang** succeeded Thomas Snay as **CFO** of the **Merck** in Korea effective from January this year. She has been working for Merck since 2001 and has broad experiences in various finance sectors. Prior to joining Merck, she has worked for Walmart and Lone Star Fund in Korea. She holds a bachelor in Business administration from Ewha Womans University as well as a Master in Business Administration from the Yonsei University of Korea.



■ Mr. **Dae-Jin Kim** (55) has been appointed as first chief executive officer of **LEDVANCE Korea**. He has more than 25 years' experience in the consumer industry across multiple product categories in both FMCG and Consumer IT products. He is specialized in consumer marketing and sales management as well as 7 years of Business management as an acting country manager in Microsoft Entertainment



ment and Device Division. He holds a Bachelor's degree in Business Administration from Korea University and he also completed the MBA course in Leadership & Coaching from Kook-Min University.



■ **Moritz Winkler** (44) has been made **partner (senior foreign counsel)** at **Yulchon LLC**. Mr. Winkler, who is qualified as a Rechtsanwalt in Germany, joined the firm in 2006 and heads its German Desk. He advises both international as well as domestic clients in connection with their activities in Korea and abroad, focusing on M&A, joint venture structuring, and international trade law. His industry expertise encompasses automotive, healthcare, and energy & environment. Yulchon LLC is a top tier full-service law firm headquartered in Seoul, Korea. It employs some 400 professionals, including more than 60 licensed in jurisdictions outside of Korea. The firm advises on the full range of specialized practice areas, including corporate and finance, antitrust, tax, real estate and construction, dispute resolution, intellectual property, and labor and employment.

■ **Draeger Korea Ltd.**, hosted an 'Office Reopening Ceremony and Year-end Party' to celebrate a new start at a newly renovated office on Dec. 15, 2016. **Mr. Andreas Harbauer, Managing Director of Draeger Korea** invited a number of valued partners to celebrate Draeger's new start. Draeger is an international leader in the fields of medical & safety technology and is located in Lübeck, Germany. Draeger Korea started its business in 1990 in Korea and has introduced highly advanced solutions for medical and safety field since.



Please send news for this column to suyoon@kgcci.com

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Director

quicksteps10@gmail.com

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BCA Korea Co., Ltd.

Ms. Jieun Song

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ji_song@bcakorea.com

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KARL STORZ ENDOSCOPY KOREA Co. Ltd.

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C&M Robotics Co., Ltd.

Ms. Myo-hee Joo
CEO
jmh@cnmrobotics.com
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www.cnmrobotics.com


KT (kt corporation)

Mr. Pilsoo Park
Senior Manager
psp@kt.com
Electrical, Electronics Industry, IT, Telecommunication, Software, Media,
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www.kt.com


ContiTech DaeWon Airspring Systems Ltd.

Mr. Andreas Kattre
CEO
andreas.kattre@as.contitech.co.kr
Automotive OEM, Automotive Supply, Plastics, Rubber
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Lee & Kim

Mr. Whang Baek-Lim
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baek-lim.whang@leenkim.com
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Mr. Mikael Yitzhakov
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Upcoming

Save-the-Date

May 26
Asparagus Dinner
TBD

September 22
3rd KGCCI Innovation Awards Gala
Floating Islands (Sebitseom)

Korea Veranstaltungen in Deutschland

23. März
IHK Magdeburg
Korea-Veranstaltung

27. März
IHK Würzburg
Korea-Beratung

28. März
IHK Frankfurt a.M.
Inhouse Marktberatung Korea

29. März
IHK Düsseldorf
Wirtschaftstag Korea

3. April
IHK Osnabrück
Wirtschaftstag Korea

24. April
Hannovermesse
Industrie 4.0 - AHK Korea
Workshop

Für Veranstaltungen in Deutschland erfolgt die Registrierung über die jeweilige IHK

Events in Korea

 February 23	 February 28	 March 6	 March 9
Arbeitskreis Mittelstand (AKM) – Workshop for SMEs	Seminar with Mindsgroup "Work, Lead & Communicate Successfully with Koreans"	KGCCI Korean Language Course"	Self-Leadership Seminar
KGCCI Conference Room, 7F	KGCCI Conference Room, 7F	KGCCI Conference Room, 7F	KGCCI Conference Room, 7F
 March 16	 March 21	 March 23	 March 29
Seminar with Baker Tilly Sungto "Understanding Tax Audits"	Dual Training Systems in Korea & HR Update	KGCCI Sundowner	Extraordinary General Meeting
KGCCI Conference Room, 7F	T-Plus Academy, C&M Robotics, Seoul	KGCCI Veranda, 8F	Reform of Articles of Association
			Millennium Seoul Hilton

Registration: www.kgcci.com/events | Contact: Ms. Sun-Hi Kim | shkim@kgcci.com

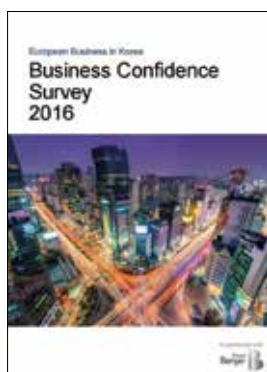
Contacts

Foreign Investors' Roundtable 2017



KGCCI and other representatives of foreign chambers and foreign invested companies met with Acting President Hwang Kyo Ahn at the Foreign Investor's Roundtable 2017. In his welcoming remarks, Acting President Hwang stressed the importance of Foreign Investors for the Korean economy in terms of turnover, export and employment.

In his formal response to the Acting President's speech, KGCCI President Mr. Stefan Halusa said that for the Korean economy, very similar to Germany, exports and trade contribute significantly to the GDP and German companies can help by strengthening the global competitiveness of the Korean industry. The contribution of German companies in Korea therefore go beyond the number of jobs created by German investments. Both, the Korean and the German government, should cooperate very closely in promoting free trade and fight protectionism, an increasing threat at this point in time. The upcoming G20 meeting in Germany might be a good occasion for this. KGCCI will continue to represent the interests of its member companies to the Korean government and administration.



Business Confidence Survey 2017

Together with other European Chambers in Korea and Roland Berger, KGCCI published the results of the 2016 European Business Confidence Survey. In total, 131 European company executives, representing a combined workforce exceeding 60,000 employees and a total turnover of EUR 50 billion took part in the survey to recapitulate about the current Korean business environment. The results show that despite the current challenges in export or certain industries such as shipbuilding, Korea remains an important market for European businesses.

This is true especially for German companies, which are more optimistic about growth in Korea. 70% of German companies plan to expand their operations in Korea in 2017 by organic growth and 51% want to increase the number of permanent positions. In order to improve Korea's attractiveness for foreign investors, the Korean government should continue to focus on improving the business environment and regulatory framework. You can find the results of the survey on our homepage. We would like to thank all the member companies who participated in the survey.

KGCCI Economic Outlook



At the bi-annual KGCCI Economic Outlook on January 19th, representatives of leading German companies in Korea discussed the country's growth potential in light of the current political crisis. The evening was opened with an overview on current developments in German-Korean bilateral relations by Mr. Weert Börner, Deputy Head of Mission, German Embassy Seoul. In light of Germany's G20 presidency and important elections in both countries, there will be many opportunities for cooperation.

The political aspect was followed by an overview on current global economic developments such as BREXIT and Donald Trump's repatriation plans by Mr. Ulrich Leuchtmann, Head of FX Research at Commerzbank AG. He was followed by Mr. Alexander Hirschle, Representative Correspondent of Germany Trade & Invest in Korea who gave an update on the economic outlook for Korea and its major industries for 2017. He pointed out that despite cuts in exports and trade numbers Korea could show significant growth in areas such as IOT, Medical Equipment and Cosmetics. For Mr. Hirschle, Korea is currently in a transition period from "old" key sectors to new fields. It was furthermore emphasized that

the Korean GDP still has positive growth rates between 2 and 3 percent and in the last months 2016 some indicators like exports and production have been showing signs of improvement. At the subsequent panel discussion, business people were cautiously optimistic about Korea's future growth potential. Rising competition from China and growing labor costs are forcing companies to invest in new technologies, creating opportunities for German machinery makers. Korea's mid-sized firms are also forced to modernize their equipment in order to keep up with rising expectations from their customers. The speakers also commented on the growing investment of Korean companies overseas, for example in Vietnam. While these investments do not show in the statistics on the Korean economy, they matter to German suppliers with sales offices in Korea because Korean companies make decisions about their global projects at headquarter level. KGCCI would like to thank all speakers and the guests who participated in the panel discussion.

KGCCI Charity Donation



At the KGCCI Goose Dinner 2016, KGCCI organized a charity raffle with numerous prizes provided by member companies. The proceeds of 2.6 Mio KRW were donated to DASOM study room, a charity project organized by Seoul National University students which helps children from underprivileged families with tutoring and mentoring. In return, some of the children visited KGCCI and were introduced to Germany and our work. We wish that some day these children will turn into future leaders of Korea. KGCCI wants to thank all companies who have contributed gifts for the charity raffle. Gifts for the charity raffle

were donated by: Beiersdorf Korea Ltd., BCA Korea Co., Ltd., BMW Group Korea, Robert Bosch Korea Limited Company, Conrad Seoul, Faber-Castell, GBK Co., Ltd., Grand Hyatt Hotel, Kim & Chang, Lufthansa German Airlines, MCM (SUNGJOO GROUP), Miele Korea Limited, Millennium Seoul Hilton, Park Hyatt Seoul, The Class Hyosung Corp., and Audi Volkswagen Korea Ltd.

KGCCI Green Cabbage Dinner



The traditional KGCCI Green Cabbage Dinner took place on February 3 at the cozy Oak Room at Millennium Hilton Seoul. Around 70 guests gathered for the event, most of them wearing the traditional northern German fishermen's shirt and red bandana.

During the event, Mr. Ludwig Feuchtmeyer, CFO at Continental Automotive Electronics LLC., was crowned as the new "Grunkohlkönig" by last year's "Grunkohlkönig" Mr. Stefan Rentsch, CEO of TUV SUD. The Grunkohlessen was made possible thanks to the support of the German Embassy as well as Lufthansa Cargo, Bittburger and Maisel's Weisse. Special thanks go to the speakers for their humorous contributions and Mr. Volker Minnert from Contitech Fluid Korea for his musical contribution.

Media Data

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 68: **March 20th, 2017**

Main topic: "Vertrieb in Korea"

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KGCCI DEInternational has launched its Premium Partner Program. To learn more on how to promote your own company and support KGCCI please refer to our website or contact Mr. Andreas Schäfer at aschaefer@kgcci.com

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Song Ug Yoon
Tel. +82-2-37804-630
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suyoon@kgcci.com

Anzeigen:

Hee-Kyung Choi
Tel. +82-2-37804-698
Fax +82-2-37804-655
hkchoi@kgcci.com

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KGCCI DEinternational Ltd.

Ms. Sun-hi Kim, Event Manager
8th Fl., Shinwon Plaza, 85, Dokseodang-ro, Yongsan-gu Seoul 04419, Korea
Tel : +82-2-37804-659, Fax : +82-2-37804-637
E-mail : events@kgcci.com www.kgcci.com