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UNIDO

Annual Report 2013

UNIDO ITPO Korea



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO ITPO Korea Annual Report 2013

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UNIDO Investment and Technology Promotion Office, Korea
Annual Report 2013



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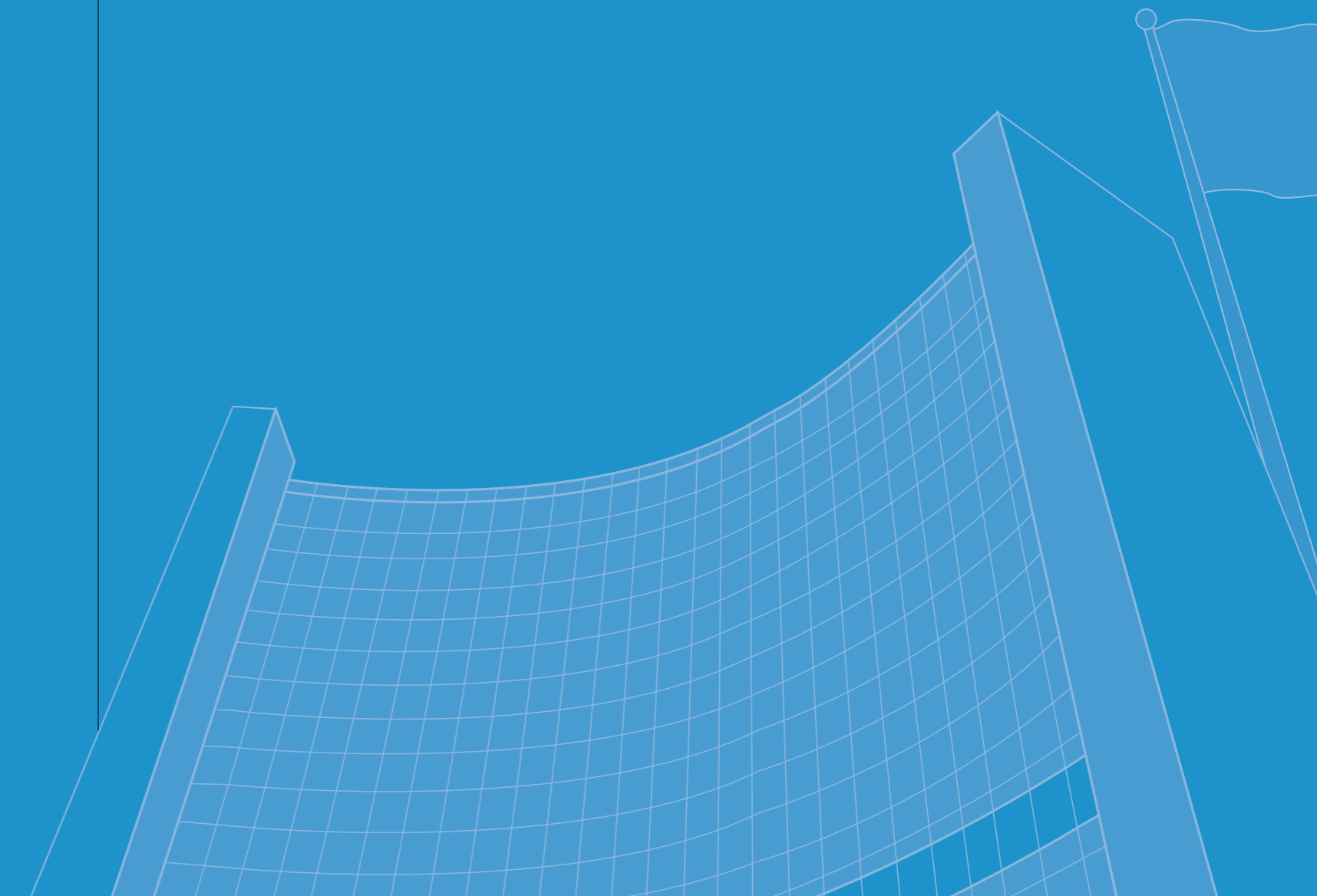
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+ Overview

• Africa Project

Investment promotion missions to identify potentials for cooperative projects targeted at facilitating foreign direct investment (FDI) of Korean companies and opening up communication networks in the renewable energy sector

• Changchun Project

Promotion of regional cooperation in establishing an industrial park in the bordering regions among China, North Korea and Russia

• Delegate Programme

Business meetings with potential Korean counterparts for investment and technology transfer in the specific industrial sector selected by the delegates

• Outreach Programme

Trade and investment seminars where the embassies of developing countries in Korea and Korean SMEs in the major industrial cities outside Seoul have direct 1:1 business consultations

• Domestic Survey 2013

Surveying the current and potential Korean investors about investment trends, needs and unmet needs for investment activity, especially, in Latin America and the Caribbean

• COMFAR Training Programme

COMFAR trainings for Korean companies and public institutions with a view to assisting them in analyzing investment potentials in the target country

• Participation in international forums and conferences

Enhancing the visibility of UNIDO both inside and outside Korea

Highlights of ITPO Korea's activities in 2013

In 2013 ITPO Korea continued to promote business match-makings between potential Korean investors and developing countries. The office also participated in domestic and overseas events to promote its presence in Korea and its role in delivering the vision and mandates of UNIDO under the new Director-General Mr. Li Yong's leadership. To promote investment and technology transfer under UNIDO's overarching vision of "inclusive and sustainable industrial development" ITPO Korea implemented the following activities.

Table 1.1 Regions covered under ITPO Korea's activities in 2013

Activities	Regions
Africa Project	North Africa (1 country), Eastern Sub-Saharan Africa (4)
Changchun Project	Northeast Asia (3)
Delegate Programme	East Africa (1)
Outreach Programme	Central Europe (3), Eastern Europe (1), Southeast Asia (4), Central Asia (1)
Domestic Survey	Latin America and the Caribbean (15)

+ UNIDO Director-General's visit to Korea



UNIDO Director-General Li Yong visited Korea from 3 to 4 November to strengthen the UNIDO-Korea cooperation in the area of inclusive and sustainable industrial development (ISID). Director-General Li met with various Korean partner institutions to reinforce UNIDO's new vision and emphasis on ISID in the context of the post-MDG agenda. In response the Korean partner institutions during their bilateral meetings with UNIDO promised their full support for the organization to promote its vision and mandates.

Director-General Li had a meeting with Mr. Je-Yoon Shin, President of Financial Services Commission (FSC) of Korea. The key agenda included the linkage between ISID and the maintenance of a healthy financial system in developing countries. Mr. Shin emphasized that FSC has an interest in supporting UNIDO, now being led by Mr. Li, with a view to promoting Korea's experience of financial system management to inspire countries through UNIDO's extensive network around the world.



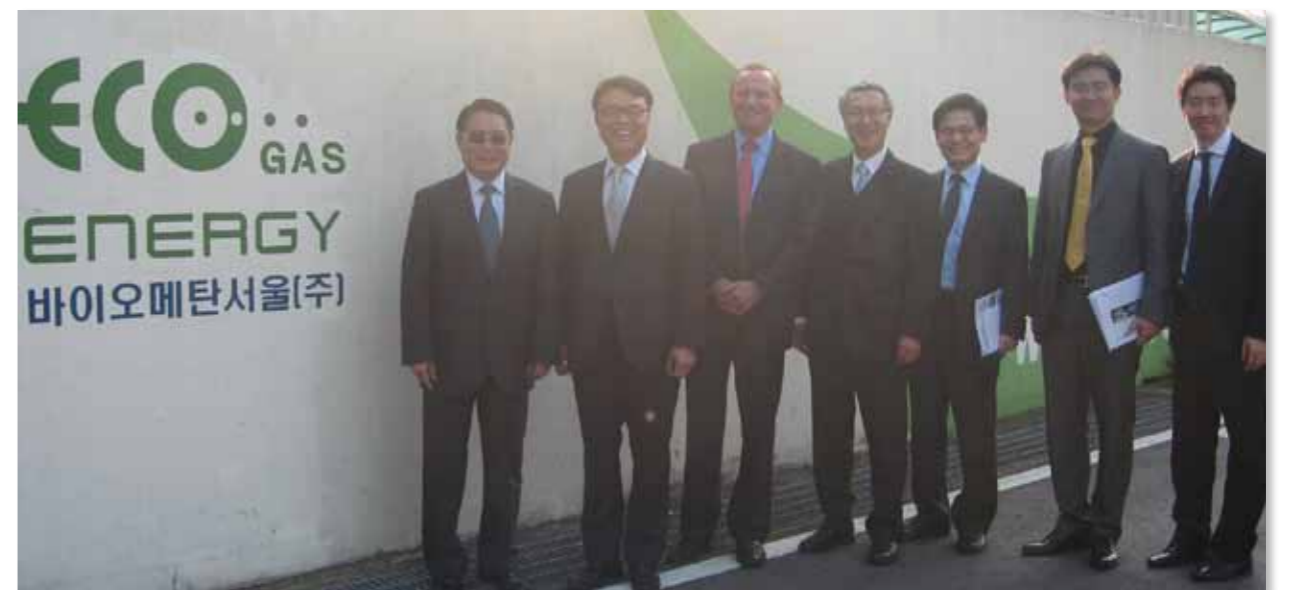
· Figure 1.1 Bilateral meetings with FSC and KOICA



A bilateral meeting with Korea International Cooperation Agency (KOICA), represented by Mr. Yong-Mok Kim, President of KOICA, also took during his mission to Korea. Mr. Kim expressed his gratitude for UNIDO's cooperation with KOICA in the technical cooperation (TC) project, "Transfer of Environmentally Sound Technologies (TEST) in Cambodia", which was just completed last year. Both institutions promised to identify the ways in which to further their mutual cooperation, especially, through utilizing UNIDO's network in Korea, like ITPO Korea, as an implementing office for a more accessible and effective training programme in target countries with a focus on waste treatment.

The UNIDO delegation had a meeting with the Ministry of Foreign Affairs of Korea (MOFA), represented by Mr. Tae-Yul Cho, Acting Foreign Minister. Mr. Li expressed to Mr. Cho UNIDO's new vision and focus on ISID as part of future post-MDG agenda. Mr. Cho welcomed this idea and responded that Korea will continue its support for UNIDO and its new vision.

Field tours to Seonam Waste Water Treatment Plant (Seonam WWPT) and Sudokwon Landfill Management Corporation (SLC) were arranged by ITPO Korea for Director-General Li and his delegation. Seonam WWPT is where Eco Energy Holdings, a Korean front-runner in the biogas industry, operates a biogas station for automobiles and other types of vehicles. The company also operates one of the world's largest power plants (50MW) using landfill gas.



· Figure 1.2 UNIDO Director-General Li Yong at MOFA and Eco Energy Holdings

+ Participation in international conferences and forums

(1) International Seminar

Industrial Diversification of GCC and Partnership with Korea

At the conference organized by the Korea Institute for Industrial Economies and Trade (KIET), Dr. Soo-Taek Rhee attended as a moderator in the second session, entitled “Korea – Gulf Cooperation Council (GCC) Industrial Cooperation in New Industry Sectors”. The head of ITPO Korea led the discussion on various topics such as Korea-GCC industrial cooperation for the future healthcare system, building ICT ecosystems in GCC based on the Korean experience and the prospect for knowledge-based industries in the GCC countries. During this discussion, Dr. Rhee introduced to the audience, including the delegation from GCC and Gulf Organization for Industrial Consulting (GOIC), how UNIDO could contribute to promote industrial cooperation between Korea and GCC countries. ITPO Korea will continue to research ways in which to promote cooperation among KIET, GCC and UNIDO networks in the Gulf region



Figure 1.3 Dr. Sootaek Rhee at the international seminar at KIET

(2) UNIDO Green Industry Conference

ITPO Korea participated in this event held in Guangzhou, China, from 7 to 9 September in order to promote match-making between potential Korean partners and UNIDO network institutions at the conference. The office organized a delegation of three Korean institutions (Green Technology Center, Korea National Cleaner Production Center and Korea New and Renewable Energy Association) to promote Korea’s experience of green industrial development at the conference.



Figure 1.4 UNIDO Green Industry Conference in Guangzhou, China

(3) Asia Automotive Environmental Forum

At this forum, organized by Korea Automotive Recycles Association (KARA) on 6 September, Dr. Soo-Taek Rhee also introduced possible contributions which can be made through UNIDO and UNIDO ITPO Korea in the field of managing treatment of end-of-life vehicles (ELVs) in developing countries. Cooperation between UNIDO ITPO Korea, KARA and the Ministry of Environment of Korea was emphasized, and it was pointed out that ITPO Korea is mandated to support the fundamental interest of UNIDO to promote inclusive and sustainable industrial development. The ultimate goal of this cooperation will be to identify the potential for project development to facilitate transfer of Korea’s technology, for instance, in recycling the ELVs in an environmentally friendly manner to the target developing country.



Figure 1.5 Dr. Sootaek Rhee at 6th Asia Automotive Environment Forum 2013

(4) Inaugural Summit of Pacific Islands Development Forum

The Inaugural Summit of Pacific Islands Development Forum (PIDF) was organized by the Government of Fiji in Nadi from 5 to 7 August 2013 with the theme of “Leadership, Innovation and Partnership for Green/Blue Pacific Economies”. Dr. Soo-Taek Rhee attended the fifth session, entitled “Innovations for the Green/Blue Economy”, to give a keynote speech on the vision and role of UNIDO in promoting green industry, the role of ITPO Korea to promote investment and technology transfer between Korea and developing countries and, finally, Korea’s past experience of development to emphasize the importance of both political leadership and focus on green growth in economic development.



Figure 1.6 Inaugural Summit of Pacific Islands Development Forum



· Figure 1.7 Dr. Sootaek Rhee at Sustainable Asia Conference

(5) Sustainable Asia Conference

This conference was organized with a focus on ways in which Asian countries can collaborate towards sustainable development as well as the role of Korea in mobilizing regional cooperation. Dr. Soo-Taek Rhee introduced to the audience the ITPO network, UNIDO's programmes to promote renewable energy and its contribution to support "Sustainable Energy for All" initiative of UN. In addition, the head of ITPO Korea emphasize that, in order to assist developing countries in green areas more effectively, Korea should take a more comprehensive, grassroots and win-win approach to the development cooperation agenda.



Member States of UNIDO

- | | | | |
|----------------------------------|---------------------------------------|-------------------|----------------------------------|
| Afghanistan | Burundi | Ecuador | India |
| Albania | Cambodia | Egypt | Indonesia |
| Algeria | Cameroon | El Salvador | Iran (Islamic Republic of) |
| Angola | Cape Verde | Equatorial Guinea | Iraq |
| Argentina | Central African Republic | Eritrea | Ireland |
| Armenia | Chad | Ethiopia | Israel |
| Austria | Chile | Fiji | Italy |
| Azerbaijan | China | Finland | Jamaica |
| Bahamas | Colombia | France | Japan |
| Bahrain | Comoros | Gabon | Jordan |
| Bangladesh | Congo | Gambia | Kazakhstan |
| Barbados | Costa Rica | Georgia | Kenya |
| Belarus | Côte d'Ivoire | Germany | Kuwait |
| Belgium | Croatia | Ghana | Kyrgyzstan |
| Belize | Cuba | Greece | Lao People's Democratic Republic |
| Benin | Cyprus | Grenada | Lebanon |
| Bhutan | Czech Republic | Guatemala | Lesotho |
| Bolivia (Plurinational State of) | Democratic People's Republic of Korea | Guinea | |
| Bosnia and Herzegovina | Democratic Republic of the Congo | Guinea-Bissau | |
| Botswana | Denmark | Guyana | |
| Brazil | Djibouti | Haiti | |
| Bulgaria | Dominica | Honduras | |
| Burkina Faso | Dominican Republic | Hungary | |

- | | | | |
|-------------|-----------------------|-----------------------|---|
| Liberia | Nicaragua | Grenadines | The former Yugoslav Republic of Macedonia |
| Libya | Niger | Samoa | Timor-Leste |
| Luxembourg | Nigeria | Sao Tome and Principe | Togo |
| Madagascar | Norway | Saudi Arabia | Tonga |
| Malawi | Oman | Senegal | Trinidad and Tobago |
| Malaysia | Pakistan | Serbia | Tunisia |
| Maldives | Panama | Seychelles | Turkey |
| Mali | Papua New Guinea | Sierra Leone | Turkmenistan |
| Malta | Paraguay | Slovakia | Tuvalu |
| Mauritania | Peru | Slovenia | Uganda |
| Mauritius | Philippines | Somalia | Ukraine |
| Mexico | Poland | South Africa | United Arab Emirates |
| Monaco | Portugal | Spain | United Republic of Tanzania |
| Mongolia | Qatar | Sri Lanka | Uruguay |
| Montenegro | Republic of Korea | Sudan | Uzbekistan |
| Morocco | Republic of Moldova | Suriname | Vanuatu |
| Mozambique | Romania | Swaziland | Venezuela(Bolivarian Republic of) |
| Myanmar | Russian Federation | Sweden | Viet Nam |
| Namibia | Rwanda | Switzerland | Yemen |
| Nepal | Saint Kitts and Nevis | Syrian Arab Republic | Zambia |
| Netherlands | Saint Lucia | Tajikistan | Zimbabwe |
| New Zealand | Saint Vincent and the | Thailand | |

+ Africa Project

ITPO Korea has put strong emphasis on cooperation between Korea and African countries since 2008 starting with bio-fuel development in Tanzania and power generation development in Mozambique and Namibia.

ITPO Korea has been continuing to identify and develop the industrial sectors to promote Korean investment with local partners in developing countries. Renewable energy development and clean environment sector were chosen as focus areas in 2013.

To identify and develop cooperative projects between Korea and developing countries, ITPO Korea started to research mainly about the current status of industrial development, technology needs, development plans of developing countries, political/social/economic conditions and investment flows in the target countries. We matched the findings of this research to Korean industries and decided to focus on the renewable energy and environment sectors, including bioenergy utilizing organic waste. Compared to other renewable energy sources, bioenergy costs less to initiate and both the governments of Korea and developing countries recently established strong policy platforms to promote bioenergy use. Besides renewable energy and environment sectors, ITPO Korea also put efforts into traditional medicine development, end-of-vehicle treatment and waste water treatment sectors to make cooperative projects with developing countries as well.

(1) Investment promotion mission to Tanzania, Ethiopia and Mozambique

ITPO Korea invited relevant Korean private companies for the mission trip to Tanzania, Ethiopia and Mozambique in July. The purpose of this mission was to develop cooperative projects of bio-gas power generation utilizing municipal waste and relevant Clean and Development Mechanism (CDM) projects. The participants included Eco energy holding Co., Ltd and Osang Group which operate several bio-gas power generation plants in Korea and have been involved in an environmental business joint the mission trip together with the Ministry of Foreign Affairs (MOFA) and Korea Trade-Investment Promotion agency (KOTRA). Particularly in Tanzania, we had looked into potentials of traditional medicine development as well.

Investment Promotion Projects and Programmes



· Summary

- Regions visited : Dar es salaam, Tanzania, Addis ababa, Ethiopia and Maputo, Mozambique.

- Period : 13 July ~ 29 July 2013

- Counterparts of substantive meetings :

1) Tanzania

- National Institute of Medical Research
- Institute of Traditional Medicine
- Korean International Cooperation Agency Office, Tanzania
- Ministry of Health and Welfare
- Ministry of Energy and Minerals
- UNIDO Field office, SPX
- Embassy of the Republic of Korea in Tanzania

2) Ethiopia

- Ministry of Industry
- Ethiopian Investment Agency
- Ministry of Agriculture
- Ministry of Water and Energy
- Environment Protection Authority (Ministry of Environment)
- Korea Investment-Trade Promotion Agency, Ethiopia
- UNIDO Field office

3) Mozambique

- Ministry of Energy
- Maputo municipality
- Matola municipality
- National Energy Fund
- Association of renewable energy
- Korea International Cooperation Agency
- Field trip to Maputo and Matola open dumping sites
- UNIDO Field office
- Rep. of Korea embassy in Mozambique



· Figure 2.1 Laboratory tour to ITM in Tanzania

· Key findings

ITPO Korea organized this mission with a delegation of interested Korean private companies, Ministry of Foreign Affairs and Korea Investment-Trade Promotion Agency to identify potential cooperative projects in Sub-Saharan Africa. Due to the rapid urbanization, all of visited countries had severe environmental problems, especially, in municipal solid waste disposal and waste water treatment systems.

In addition, the Korean government promotes and supports green industry development and encourages green enterprises to expand their market to developing countries.

In this context, ITPO Korea matched the needs and planned waste to energy projects to utilize municipal wastes in African countries. We met several stakeholders in Korea and Africa through this mission trip and finalized the project proposal. Korean companies which joined the mission will participate in this project providing the appropriate technology and support to build the capacity of local workers.

We are targeting to build a 100kw/h bio-gas power plant where there is an open dumping site with a high potential to produce electricity as final output within 2014.

In regards to traditional medicine development, ITPO Korea found several suitable countries among African states such as Egypt, South Africa, Nigeria, Ethiopia and Tanzania through prior research. Among those countries, ITPO Korea finally chose Tanzania as a most suitable country since the UNIDO HQs also have supported a Tanzanian institute, called "Institute of Traditional Medicine" (ITM), through a pharmaceutical project in the 1980s. ITPO Korea implemented a delegate programme with ITM in March 2013. We believe that this continuous cooperation in one relevant sector will lead to more effective outputs and impact on sustainable development to the relevant industrial sector.

ITM in Tanzania currently produces nine kinds of medicine by extracting ingredients from traditional medicinal plants. Medicinal plants are grown in 5 demonstration farms run by local farmers in provinces. Harvested medicinal plants by local farmers are supplied to ITM to produce the medicinal products. But the volume of supply is yet small and capacity of production facilities is also low.

Given this situation of ITM, ITPO Korea aims to develop a project to scale up the existing production line using traditional medicinal plants in Tanzania. ITM is also actively making the efforts to develop traditional medicine sector with Korean entities. To assist this ITPO Korea continues to identify appropriate potential partners in Korea.



· Figure 2.2 Meeting with the Ministry of Agriculture and Ministry of Energy in Ethiopia



· Figure 2.3 Hulene open dumping site with municipality in Mozambique

(2) Open hearing seminar for waste water treatment project in a developing country through cooperation with Korea Investment-Trade Promotion Agency (KOTRA)

· Date	: 4 September 2013
· Venue	: KOTRA, Invest Korea Plaza, Room Taipei
· Panel	: 12 people including a lawyer, representatives from Korean New & Renewable Energy, Association (KNREA), professors
· Size of audience	: 100 people from relevant private sectors

To help the Korean businesses identify the needs and requirements to enter into local markets in developing country, ITPO Korea and KOTRA co-organized the open hearing seminar. Through the seminar, the co-organizers were able to exchange ideas with Korean private sectors and the panel members on how to target developing countries through the assistance of international organizations like UNIDO.



· Figure 2.4 Open hearing seminar at KOTRA

Private sectors' main concern was related to collection of local business information and financing. Both ITPO Korea and KOTRA will cooperate to disseminate required of local business information and financing. Both ITPO Korea and KOTRA will cooperate to disseminate required information, data or news of developing countries requested by Korean investors utilizing the global networks.

(3) Investment Seminar for Algeria

· Date	: 12 June 2013
· Venue	: Korea Chamber of Commerce and Industry (KCCI)
· Audience	: Company representatives in construction sectors
· Organizer	: International Contractors Association of Korea (ICAK)

ITPO Korea had researched on the investment opportunity to Algeria and suggested to the audience that the most promising sectors to invest between Korea and Algeria included power generation, infrastructure and housing sectors. ITPO Korea is continuing to identify the specific sectors to match Korean investors to Algerian private sectors.



· Figure 2.5 Seminar for Algeria organized by ICAK

(4) Receiving a delegation from Zimbabwe

· Date : 5 November 2013

The field office of Zimbabwe has been launched by Green Industry Programme collaborating with the Business Council for Sustainable Development Zimbabwe (BCSDZ), HIVOS foundation, Government of Zimbabwe and the embassy of the Republic of Korea.

The delegation of BCSDZ and governmental officials was organized by the UNIDO field office of Zimbabwe and they visited Korea to study environment-friendly technologies which could be used in Zimbabwe.

ITPO Korea supported the delegation by arranging a meeting with the Green Technology Center (GTC). Through this visit to Korea, ITPO Korea and entities from Zimbabwe were able to identify the potential of cooperation between Korea and Zimbabwe in green industry. ITPO Korea introduced the delegates to Korean green industry and trends and, in turn, the delegation also introduced their green industry development plan for the future. To build up on this meeting, ITPO Korea will continue to cooperate with the field office in Zimbabwe.



· Figure 2.6 Delegation from Zimbabwe

(5) Receiving a delegation from Tanzania and Mozambique

· Figure 2.7 Delegation from Tanzania and Mozambique

In 2013 ITPO Korea received several high-level delegations from Tanzania, Mozambique and Cameroon. For instance, they visited Korea as they were invited by the hosts of the 22nd World Energy Congress and 6th Korea-Africa Industry Cooperation Forum held in Daegu and Seoul, respectively. ITPO Korea took these opportunities to arrange meetings with the delegates to discuss the future strategy of cooperative industrial development with Korean private sectors. The office will continue to communicate with them to exchange useful and accurate business-related information in the future.



ITPO Korea will utilize these networks to organize future events and field trips to the delegates' countries. When the office receives inquiries from Korean private companies and government bodies on the current investment environments of the delegates' countries, such networks could also be useful. Since many Korean companies, especially SMEs, have a difficulty in finding appropriate local business networks and collecting investment-related information in developing countries, ITPO Korea will also make the effort to assist in improving the capacity of the delegates themselves to support and assist in match-making between Korean companies and potential partners in their own countries.

+ Changchun Project

ITPO Korea continued to strengthen its role as a key player in promoting regional cooperation in Northeast Asia towards establishing an industrial park in the Tumen River region. Especially, the office has been actively encouraging the Greater Tumen Initiative (GTI) Secretariat to cooperate with UNIDO through ITPO Korea. GTI, based in Beijing, is a regional organization among member states, including China, Mongolia, Korea and Russia and has been rebranded in 2005 based on the Tumen River Area Development Programme (TRADP), launched by UNDP in 1991. GTI has expressed its strong interest in this project and identifying candidate sites for an industrial park to attract FDI. ITPO Korea will build its collaborative relationship with GTI with a focus on the renewable energy sectors, like solar-, wind- and bio-energy.



+ Delegate Programme

Ms. Ester Innocent who is the director of Muhimbili University of Health and Allied Sciences (MUHAS), Institute of Traditional Medicine (ITM), and the former director Mr. Zakaria Mbwambo participated in the delegate programme with ITPO Korea from 10 to 16 March 2013.

While staying in Korea, the delegates attended direct business meetings and field tours with potential Korean partner institutions to discuss possibilities of cooperation for co-R&D in traditional herbal plants and medicinal products in Tanzania.

Table 2.1 Programme schedule

Date	Activities	Place
10 March	Arrival in Korea, Incheon	
11 March	Welcoming meeting -UNIDO ITPO Korea	Seoul
	Welcoming meeting -UNIDO ITPO Korea	Suwon
12 March	Business meeting and field tour - Rural Development Administration of Korea (RDA), National Institute of Horticultural and Herbal Science	Eumseong
13 March	Field tour - RDA, Agricultural Exhibition Hall	Suwon
	Business meeting - Korea Foundation for International Healthcare	Seoul
14 March	Business meeting and field tour - Korea Institute of Oriental Medicine	Daejeon
15 March	Business meeting and field tour - Seoul National University, Natural Products Research Institute	Seoul
	Closing meeting on future follow-ups - UNIDO ITPO Korea	
16 March	Departure for Tanzania, Dar es Salaam	

(1) Major business meetings with Korean partner institutions

Rural Development Administration of Korea, National Institute of Horticultural and Herbal Science

Mr. Chung-Bum Park, director of the institute, and other staff members joined the meeting. Mr. Park suggested to the ITM delegation that “instrumentation”, for instance, installation of processing equipment for raw materials (herbal plant extracts) and R&D facility, would be a more urgent and important area of cooperation than “co-R&D”. Further, he emphasized that, to initiate cooperation between the sides for such instrumentation, ITM will have to submit a formal request for assistance to the Korean government (Ministry of Foreign Affairs and Ministry of Agriculture, Food and Rural Affairs) for approval. Upon approval, RDA will be able to carry out a fact-finding mission to Tanzania to study the needs of ITM and identify possible solutions to help overcome them.

Korea Institute of Oriental Medicine

Ms. Ok-Sun Bang, director of herbal medicine research division, as well as other directors, took part in the meeting. She mentioned that capacity-building through the exchange of post-doctoral students would be an appropriate starting point for both sides to, eventually, cooperate in co-R&D in the future. The reason for this observation was directly linked with the current R&D capacity of ITM which she and other staff members considered to be severely lacking for partnership for co-R&D. The ITM delegation also shared this view and inquired the procedural information for seeking assistance. She clarified that ITM will need to submit a project proposal through the Korean Government (Ministry of Foreign Affairs) for approval. Both sides agreed to communicate towards development and formulation of this proposal in the future.

Seoul National University, Natural Products Research Institute

Mr. Sang-Kook Lee, director of the institute, and other professors welcomed the ITM delegation. He specifically mentioned that his institute is interested in co-R&D activities with ITM such as, the exchange of traditional plant samples and post-doctoral students. Both sides agreed to work together towards development and formulation of a project proposal to submit to the Korean Government (Ministry of Foreign Affairs) for approval for funding.



(2) Expected outcomes

- Establishment of new contact points between the delegates and Korean partner institutions for further cooperation to identify potentials for co-R&D in traditional herbal plants
- Sharing the latest information about the status of potential Korean partners and the local business environment in the delegates' country
- Facilitation of project identification among UNIDO ITPO Korea, Korean partner institutions and ITM in co-R&D in traditional herbal plants and medicinal products in Tanzania



· Figure 2.8 Delegate Programme organized by ITPO Korea with ITM in Tanzania

+ Outreach Programme

In 2013, ITPO Korea organized three country promotion seminars to facilitate 1:1 direct business consultations between the embassies of developing countries in Korea and Korean SMEs, as potential investors, in major industrial cities outside Seoul. The key objective of this programme is to provide the opportunity for Korean SMEs in provincial regions to access the latest business information about the target countries. At the same time, the office expects that the embassies or investment promotion offices of the participating countries can benefit from this activity as they can promote their local investment opportunities more extensively among companies in Korea. In addition, on the following day of the seminar ITPO Korea also arranged field tours and business meetings for the embassy delegation to directly engage with interested local SMEs.

By matching the interested industrial sectors of both the participating countries and Korean SMEs, ITPO Korea has organized the following seminars.

(1) Trade and Investment Seminar for Central Europe

· Date and place	7 May, Incheon City
· Participating countries	Hungary, the Czech Republic, the Slovak Republic
· Co-organizer	Incheon Chamber of Commerce and Industry
· Target industrial sector(s)	Automotive parts, electronic parts and steel casting equipment
· Size of audience	50 SME representatives
· Main activities	Investment promotional presentations, 1:1 business consultations

(2) Trade and Investment Seminar for Medical Equipment Markets

· Date and place	5 September, Wonju City
· Participating countries	Bulgaria, Nepal, Fiji
· Co-organizer	Wonju Medical Industry Techno Valley
· Target industrial sector(s)	Medical diagnosis equipment (medical imaging and measuring), medical treatment equipment (rehabilitation and healthcare)
· Size of audience	40 SME representatives
· Main activities	Investment promotional presentations, 1:1 business consultations

(3) Trade and Investment Seminar for Asian Markets

· Date and place	13 November, Ulsan City
· Participating countries	Thailand, Uzbekistan, Indonesia
· Co-organizer	Ulsan Chamber of Commerce and Industry, Small & Medium Business Corporation (Ulsan Regional Office)
· Size of audience	40 SME representatives
· Main activities	Investment promotional presentations, 1:1 business consultations, field tours and business meetings with interested SMEs



Figure 2.9 Trade and investment seminars and workshops for students

The office also organized workshops on international organizations for students in provincial regions to improve the visibility of UNIDO and ITPO Korea more widely throughout the Republic of Korea. UN offices in Korea also participated in the event to introduce and promote their agency's history, mandate, activities and organizational structure as well as the recent news and activities of the local office in Korea. The office organized the workshops at the following universities:.

(1) Inha University in Incheon City

· Date and place	16 May 2013
· Participating UN offices	UN Project Office on Governance, UN ESCAP Subregional Office for East and North-east Asia, UN Office for Sustainable Development
· Size of audience	20 students

(2) Yonsei University Wonju Campus, Wonju City

· Date and place	1 October 2013
· Participating UN offices	UNHCR Seoul, UN Office for Sustainable Development
· Size of audience	20 students

+ Debriefing Seminar on Domestic Survey 2012



ITPO Korea organized this seminar on 19 February 2013 at Korea Chamber of Commerce and Industry in order to disseminate the key findings of Domestic Survey 2012 among the embassies of the target Central and Southeast Asian countries in the survey.

This survey was held among 521 Korean companies (319 current investor companies and 202 non-investor companies), sampled from the databases of KOTRA and Nielsen (surveying company), mainly about

- 1) the current status of investment,
- 2) factors influencing investment decisions,
- 3) investment disputes in local markets,
- 4) investment-related difficulties and
- 5) services of investment promotion agencies (IPAs). The target regions were Central Asia (Kazakhstan, Kyrgyzstan and Uzbekistan) and Southeast Asia (Cambodia, Malaysia, Myanmar, Indonesia, Thailand, the Philippines and Vietnam).

The main findings were :

- The majority of current investor companies invested in their target countries by establishing production corporations.
- The most common factor which influenced investment decisions for both Central and Southeast Asia was “local market growth potential”. However, “ease of procurement of raw materials” and “low labor costs” were selected, respectively, as the second common factors.
- 3.8% of the respondents had experienced investment disputes in both regions. The most common type was “labor-management conflicts” (75.0%). Interestingly, 83.3% of the companies which experienced such disputes indicated that they solved them through the local jurisdiction.
- For the survey purpose, investment-related difficulties were divided into six categories of
 - 1) local management-related difficulties,
 - 2) labor-related difficulties,
 - 3) regulation-related difficulties,
 - 4) taxation/finance-related difficulties,
 - 5) industrial infrastructure-related difficulties and
 - 6) market cultivation-related difficulties. In the category of management-related difficulties, 18.5% of the total respondents indicated the “unavailability of industry infrastructure”. In other categories, the “unavailability of highly skilled labor” (26%), “vague regulations” (24.5%), “unstable power supply” (21%) and “securing local sales forces” (24.5%) were selected.
- 22.3% of the total respondents indicated that they have received support from local investment promotion agencies (IPAs). Especially, most of these companies were large-sized Korean companies and “support for marketing survey activity” was the most common type of service.

+ Domestic Survey 2013

The main objective of this survey was to identify the needs and unmet needs of both the current and potential Korean investors in Latin America and the Caribbean (LAC) and to suggest policy implications in order to assist the LAC countries in sustaining their capacity to attract Korean FDI activity.

(1) Survey design

In terms of the survey design, the total population size of the current investor companies in LAC, based on the database of Korea Trade and Investment Promotion Agency (KOTRA), was 472. For the purpose of the survey, companies which did not have parent companies in Korea and those which indicated multiple target countries of their current FDI activity (rather than indicating one particular target country) were eliminated. The remaining 251 companies were invited to the survey and the response rate was 23.5% which gave the final sample size of 59 companies.

As for the potential investor companies in LAC which are currently investing outside LAC, 150 companies were collected from KOTRA’s database through a purposive sampling method in which they were allotted proportionately to individual items, for instance, “China” (60 companies), “Vietnam” (46), “Other Asian countries” (39) and “Others (Excluding Asia)” (5) in order to have a comparable sample size with that of the current investors in LAC.

In addition to the current Korean investors within LAC (59 companies) and outside LAC (150 companies), 251 non-investor companies in Korea were also surveyed for comparison with the other two sample groups. The total sample size of all three groups was 460 companies and they were surveyed by a questionnaire through 1:1 interviews for 3 months from August to November in 2013.

(2) Main findings of the survey

Key factors which influenced the current investors’ decisions to invest in LAC

Among the 59 respondents 50% were large-sized companies with more than 300 regular employees in the manufacturing sector. The countries invested were Brazil (44%), Mexico (29%), Chile (15%), Guatemala (14%), Panama (10%), Peru (8.5%), Colombia (6.8%), Argentina (5.1%), Nicaragua (3.4%), Venezuela (3.4%), Uruguay (3.4%), Honduras (1.7%), Ecuador (1.7%), Haiti (1.7%) and Costa Rica (1.7%). 55% of the respondents invested in the country by establish a local production corporation.

The key factors which influenced investment decisions were :

- Business potential in the local market (32%)
- Low labor costs (27%)
- Opportunities to meet the demands of overseas clients (18.6%)
- Ease of acquiring raw materials and components (10.2%)

In terms of the influential sources of investment information, the respondents chose “through the HQs or parent company” (42.4%) and “through consumers and supplies” (22%).

Comparison among the three sample groups in terms of needs and unmet needs

The need which was perceived to be most important among all three groups was the availability of resources.

Table 2.2 Needs perceived to be most important

(indicated out of 5 points in terms of perceived importance)

Needs	Current investors in LAC	Current investors outside LAC	Non-investor companies
Availability of resources (e.g. low labor costs, availability of skilled labor, competent local management and raw materials)	3.66	3.87	4.02
Business opportunities (e.g. presence of foreign investor companies, market growth potential, presence of key clients/buyers)	3.44	3.59	3.64
Business climate (e.g. political stability, risk of nationalization, crime rate, inflation and exchange rate fluctuation)	3.45	3.68	3.82
Cultural affinity (e.g. communication skills in English or Korea)	3.46	3.74	3.82

The “unmet needs” are defined to be investment factors which are considered to be “important but not satisfied”. Factor items which were given scores above the average point (out of 5 points) in “importance” but below the average point in “satisfaction” were considered “unmet” by the investors. The results showed that, while the current investors in LAC indicated the categories of “availability of resources”, “business climate” and “cultural affinity” to be unmet needs, those investing outside LAC were more interested in the business opportunities.

Table 2.3 Unmet needs of the three sample groups

Categories of unmet needs	Sample groups	
	Current investors in LAC	Current investors outside LAC
Availability of resources	Availability of skilled labor Availability of raw materials Infrastructure (land, electricity)	
Business opportunities Business climate		Local market growth
Business climate	Political stability	
	Security (crime, theft) Macroeconomic stability (inflation, exchange rate)	
Cultural affinity	Communication skill in English or Korean languages	

(3) Conclusion and policy implications

In the survey the most common influential factors among the current Korean investor companies in LAC countries were local market potential, for instance, in Brazil, low labor costs and opportunities to target overseas clients in North America.

However, the key finding of this survey was that, in order for LAC countries to sustain their capacity to attract FDI from Korea in the future, they may have to recognize the importance of such unmet needs as the 1) availability of “skilled” labor, 2) raw materials and infrastructure as well as 3) social costs such as political instability, insecurity, communication problems due to the language barrier. Further, it may be suggested that policymakers in the LAC region will have to make the effort to have a competitive edge in these areas over other regions, like Africa and Asia, to continue to attract FDI from Korea.

+ COMFAR Training Programme



ITPO Korea organized a COMFAR training workshop in cooperation with Korea Chamber of Commerce and Industry (KCCI) on 11-12 November 2013. 8 participants from public organizations and private companies participated in this workshop and learned the COMFAR III Expert software programme. The training material, including case studies, covered an overall introduction to application of UNIDO COMFAR III Expert, COMFAR financial data input, COMFAR financial analysis, economic analysis and financial appraisal. While there were positive reactions from the participants about the usefulness of the software programme, it was noted that the overall training programme could be divided into two separate courses for beginners and intermediate learners. Based on this feedback ITPO Korea will continue to find ways in which it can more effectively deliver the knowledge of using the programme to the trainees in 2014.



Strategic direction for 2014

With a new project cycle of three years, approved by the Government of Korea effective from 2014, ITPO Korea is now placed in a position to provide its services more effectively to promote investment and technology transfer between Korea and developing countries. The office will continue to make its best efforts to maximize the synergy effect with the UNIDO HQs in delivering its ongoing projects and programmes in 2014.

Through collaboration with the UNIDO HQs and UNIDO's networks, ITPO Korea will actively organize investment promotion missions to facilitate identification of potentials for Korean investment in regions of Sub-Saharan Africa, Asia and Latin and the Caribbean. The key objective of this activity will be to assist

Korean investors in networking with local counterparts through the UNIDO networks with a view to identifying the sectors which Korean entities and developing countries could cooperate to develop relevant industry. As target beneficiaries, the office will focus on potential Korean investors in the renewable energy sectors, especially on biogas power generation. In 2013 the office mainly focused on Sub-Saharan Africa by organizing an investment promotion mission to Tanzania, Ethiopia and Mozambique and investment seminar for Algeria. However, in 2014, the target regions will be expanded to cover Asia (including Russia and Mongolia) and Latin and the Caribbean.

ITPO Korea will also invite delegates from developing countries to Korea in order to facilitate direct business meetings with potential Korean investors or partner institutions. This will be organized through the UNIDO networks, especially the field offices, and UNIDO HQs to best tailor the delegate programme to the needs of both the delegates and interested Korean partners.

Trade and investment seminars for direct 1:1 business consultations between embassies of developing countries and Korean SMEs in major industrial cities in Korea will be organized in order to assist in sharing the latest business information on the target countries. In 2014 the office will target a wider geographic coverage as well as a more diverse range of partner institutions such as techno parks. Techno parks are regional industrial and technological complexes run by the networks of local businesses, the government, research institutes and academia.

Domestic Survey 2013 to study major determinants of Korean investment activity

in Latin and the Caribbean (LAC) will be completed in February 2014 and ITPO Korea will promote the key findings and policy implications for embassies of LAC countries in Korea through a debriefing seminar in early 2014.

Lastly, ITPO Korea will make its best efforts to promote UNIDO's vision of Inclusive and Sustainable Industrial Development (ISID) in Korea in the context of post-2015 MDGs. This new vision of UNIDO has been adopted by the member-states of UNIDO at the General Conference in Lima, Peru, last December 2013. ISID is a concept of both creating shared prosperity and safeguarding the environment. At the national/local level, ITPO Korea will plan and implement various activities to support UNIDO's ISID campaign in Korea. Additionally, to improve the visibility of UNIDO among Korean businesses, ITPO Korea will also continue to organize its promotional activities such as COMFAR trainings and mobilization of Korean delegations to attend international events organized by UNIDO.



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