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#01



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PRESIDENT'S MESSAGE



Dear Readers,

It is my pleasure to welcome you to the inaugural issue of *ECCK Connect*, the official magazine of the European Chamber of Commerce in Korea (ECCK).

As we commence our first year of establishment, we do so with a commitment to our mission of fostering co-operation between Europe and Korea. As part of our service, we are striving to create a magazine that will provide our members and the wider community with perspectives on the Korean political, economic and social context, including business developments, current affairs and social trends, in addition to other issues as related to the interests of European companies operating in Korea.

Our first issue focuses on the **“New Beginning”** of the ECCK with an overview of the organisation. Looking back over the past 18 months of its implementation, the issue also covers the EU-Korea FTA with an exclusive interview with Ms Signe Ratso, Director in DG Trade of EU Commission, and an analysis by Dr Caecone Kim, the founding president of EUSA-Korea.

Our **Cover Story** is on the educational partnership between Europe and Korea. Beginning with the new Songdo Branch of Ghent University, the series of articles and interviews will inform you of the efforts the two are putting to enhance co-operation and develop educational partnership between Europe and Asia. This section features two exemplary cases of Europe-Korea educational partnership – ETP-K and the Songdo Global University Campus with a focus on the Songdo branch of Ghent University.

In the following pages, you will also find essays and columns on various aspects of Korea. Mr Alexander Jensen takes the readers on a tour of Myeongdong at which he notices the rising influx of European culture. Meanwhile, Dr Alexander Fisher takes a look at Korea's green growth strategy and suggests potential for public and private partnership.

I would like to take this opportunity to thank all of our members for their support and ongoing involvement with the ECCK. I hope you find *ECCK Connect* informative and interesting.

Kind regards,

Thilo Halter
President of the ECCK

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Voice of Members



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Executive Training Programme in Korea



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A Stronger Voice for European Businesses

Speech by H. E. Tomasz Kozlowski Ambassador, Head of the EU Delegation to the Republic of Korea



At the very first ECCK Annual General Meeting held on 27 February 2013, Ambassador Kozlowski, the Head of the EU Delegation to the Republic of Korea, delivered a speech underscoring the significance of the EU-Korea relations elevated to a strategic partnership and his wholehearted support for the ECCK.

Mr President, Ladies and Gentlemen,

I am very glad to be with you today and to be able to address the newly established European Chamber of Commerce in Korea (ECCK).

I take the opportunity to congratulate all of you, the whole European business community in Korea, on the establishment of this new organisation and to thank the newly elected Board of Directors and the ECCK staff for its immense efforts to shape this new structure and make it operational in a very short time.

1. EU-Korea Strategic Partnership

Dear Friends,

The Republic of Korea is a very important partner for the European Union. I am proud to say that Korea and the EU have achieved a high level of maturity in their relations. At the same time both sides look forward to increasing and deepening their co-operation in all fields.

The EU leaders and the new Korean Administration are fully committed to this task. This was confirmed personally by President Park Geun-hye when I met her in January.

Economically, we have been successfully developing excellent trade and investment relations for decades. This was confirmed by the fact that we concluded the most comprehensive and deepest Free Trade Agreement (FTA) the EU has ever entered into with a third partner.

However, our partnership is now not just about trade, investment and economic co-operation. Both sides have also decided to complement the traditionally good trade and economic partnership by enhancing the political dimension to our relationship.

Politically, our partnership is based on shared values and principles. Korea and the EU are like-minded partners. At the same time we are partners with many common interests in such fields as security, the global economy, clima-

te change and many other international and regional issues, including security on the Korean Peninsula.

We declared our partnership as a strategic one. In this context, we should remember that the EU has only ten strategic partners, including four Asian countries: China, Japan, India and Korea.

The European Union and Korea have strengthened their political dialogue during the last two years through regular summits, ministerial-level meetings and senior officials and working-level consultations.

In 2011 we established the EU-Korea High-Level Political Dialogue as an overarching forum to discuss international, global and regional issues.

The High Level Political Dialogue has led to the launch of a range of dialogue and practical co-operation channels in areas that include development co-operation, the Middle East and North Africa, cyber-security and non-proliferation and disarmament. We are about to launch formal human

rights consultations. The EU participated in the Seoul Defence Dialogue last year. Korea has already contributed to our mission dealing with piracy on the Indian Ocean. We are now negotiating a Framework Participation Agreement on crisis management, which will allow Korea to participate in our other security and defence missions.

It means that the scope of our political partnership has substantially deepened, and now encompasses not only the situation on the Korean Peninsula, which is critical for the stability in the region, but also the political and security situations in other parts of the world.

We are also promoting greater co-operation between the EU and Korea within multilateral and regional organisations. We are, for instance, closely co-operating with Korea on global economic challenges and the multilateral trade agenda within the G20, the WTO, the OECD and the IMF. We share many objectives and concerns and are usually able to put our strengths together in pursuit of these goals.

2. EU-Korea Trade and Economic Relations

Apart from being an increasingly strategic and political partner for the EU on the global stage, Korea, of course, remains a very important trade and economic partner for us.

Korea passed the symbolic mark of one trillion USD of trade in 2011, becoming the world's 8th largest trader in 2012. It is the 12th largest world economy and our 10th largest trading partner. The EU is an important partner for Korea, absorbing 10 per cent of Korean exports. The EU is also the largest foreign investor in Korea and we have a large presence of hundreds of European businesses here, many of which are here tonight.

Our FTA with Korea tackles not only custom duties, but also the non-tariff barriers that lie beyond the border. It aims to create a space for both sides to

make our trade and investment relations even more profitable. And it has already led to very positive results after one year and a half of operation.

The annual bilateral trade flows of about USD 100 billion became balanced in 2012, for the first time in decades. This is a remarkable performance. It is due partially to the increased opportunities offered by the FTA to EU firms, which increased exports to Korea by 15 per cent in 2012. The positive impact of the FTA has been felt in the exports of such items as cars, petroleum products, plastics and machinery. During the same period, Korean exports to the EU declined largely due to the eurozone crisis and lower than expected performances in such sectors as shipbuilding, or wireless communication devices and computers. However, Korean exports to the EU of cars and parts, machinery, and petroleum products did comparatively well.

Through the FTA, we are not only bringing all customs tariffs to zero, but also aligning some of our technical standards mainly in the automotive industry, reducing double-certification procedures, enhancing regulatory co-operation or removing restrictions in the area of services. All this is for your benefit, the EU companies, to help you have better conditions for doing business in Korea.

3. European Chamber of Commerce in Korea

This brings me to the last message I want to pass to you tonight.

Dear Friends,

Because of the growing importance of EU-Korea trade and economic ties, we need to have a strong, credible, efficient and well-organised European business structure in Korea.

The EU institutions, including the EU Delegation here, need this to do our work efficiently. It is only by receiving well-structured analysis and positions

from the EU industry that we can tackle the challenges you face here, properly implement the EU-Korea FTA and conduct regulatory dialogue to make sure that we work for you in the best possible way.

This kind of strong, united and well-structured European business organisation is also necessary for effective interaction with the Korean government.

This is why I am so glad that, after the closure of the EU Chamber of Commerce in Korea in 2012, European businesses have been so quickly able to come together again and to create the European Chamber of Commerce in Korea.

I can declare that the EU institutions, including the EU Delegation in Seoul, and I personally support the ECCK very much. We want to and will work closely with you.

To be clear, it is not my intention whatsoever to be involved in any way in the management of the structure. I would like to firmly state that the Chamber should be run independently by European businesses with full responsibility.

But, at the same time, we need to maintain efficient channels of communication and co-ordination, in order to make sure that we work together in the best possible way.

Dear Ladies and Gentlemen,

Unity produces power and influence. This is how the EU has maintained its strong position in a changing world. It is only by sticking together that we will succeed.

Let me wish you all a good start to your activities this year. This is a new start for the European business community in Korea, and I am convinced of the beginning of an even stronger voice for European businesses here.

I look forward to your future activities and to our future co-operation. Thank you for your attention.

THE NEW BEGINNING



Introduction of the ECCK

ECCK Vision & Mission Statement

ECCK’s vision is to create a fair and open business environment for the mutual benefit of both Korean and European companies and organisations active in Korea.

In order to reconcile opinions and speak with a common European voice in business matters, the ECCK co-operates and closely works with the European Union Delegation in Seoul, European embassies and other European chambers.

Who We Are: European Chamber of Commerce in Korea (ECCK)

- Non-profit, non-political, and non-religious organisation
- Representative of the European business community in Korea
- Platform for information exchange
- Communication channel to the Korean authorities and business associations
- Event & meeting organiser for European businesses in Korea
- Networking centre for European and Korean businesses
- Good corporate citizen of Korea
- Commercial & Cultural Ambassador to Korea

General Introduction

The European Chamber of Commerce in Korea (ECCK) is the pre-eminent association of European companies conducting business in or related to Korea. Representing the common voice of the European business community in Korea, the ECCK aims to function as the platform for information exchange, effective communication channel to the Korean authorities, and convenor of networking opportunities for European businesses. The ECCK is a non-profit and non-political organisation.

The ECCK was officially founded on 3 December 2012, upon the approval of the Ministry of Knowledge Economy (Ministry of Trade, Industry and Energy as of 2013). With its clear legal status defined under Korea’s *Chamber of Commerce and Industry Act of 2008*, the ECCK has focused on transparency and co-operation as its fundamental values.

The ECCK maintains its open door policy of actively listening to members’ opinions and suggestions in developing its programmes and activities. The ECCK seeks for collaboration with national chambers of commerce and European business associations to identify issues of common concern and effectively represent the interests of the European business community.

The ECCK is a strong believer in mutual prosperity. The ECCK hopes to contribute to fostering an optimal business climate for both European and local Korean companies. Moreover, as a good corporate citizen, the ECCK is determined to develop and carry out activities for the benefit of the Korean society.

The organisation is governed by the Board of Directors, entrusted with members’ mandate. The Advisory Board, comprised of national chambers and embassies, provide guidance and advice in regard to direction and activities. The Secretariat manages daily operation and activities of the Chamber.

Our Services

As the prominent Platform for Information Exchange, we publish a variety of periodicals and reports to inform our members of current market situation, key regulatory issues and notable social trends in Korea. Major publications include:

- | | |
|--------------------------------------|------------------------------------|
| – Annual Report | – Quarterly Magazine |
| – Annual Membership Directory | – Newsletter |
| – Market Access Issues (White Paper) | – Various flash/ committee reports |

Our Committees and Working Groups are organised by industry, and serve as the vehicle for hosting seminars, inviting guest speakers and managing information for the ECCK’s White Paper. Committees and Working Groups are tasked to closely follow market trends and changes in the regulatory environment relevant to the interests of our members.

As the Communication Channel to the Korean government agencies and influential private organisations, the ECCK cultivates and maintains high-level contacts with the Korean government, business associations, as well as the media.

The ECCK serves as the Convenor of Networking Opportunities, regularly hosting various formal and informal gatherings. Our main events include Network Night, Gala Dinner and Year-End Party. The ECCK also functions as the first point of contact for European executives or officials coming to Korea.

Committees

Automotive

Location: Seoul

The Automotive Committee is comprised of European automakers and importers active in Korea. The committee represents the interests and views of the members in relation to the government agencies, business associations, and the media based in Korea and Europe. The committee has three sub-committees for European Passenger Vehicle Manufacturers, Heavy Duty Commercial Vehicle Manufacturers (HDCV), and Auto Parts Manufacturers.

Cosmetic

Location: Seoul

The Cosmetic Committee promotes communication between its member companies and Korean authorities to protect the rights and interests of the members. The Committee also seeks for co-operation with industry associations both domestic and international.

Finance

Location: Seoul

The Finance Committee is a group of five independent sub-committees (i.e. Banking, Capital Markets, Insurance, Chief Financial Officer, and Taxation) that are related to the financial industry. All committees focus on providing information, facilitating communication with the Korean authorities, and networking within and beyond the financial sector.

Legal Affairs

Location: Seoul

The Legal Affairs Committee is composed of three separate sub-committees dealing with legal and regulatory matters. While the Intellectual Property Rights Centre (IPR Centre) addresses issues related to intellectual property, the Fashion & Luxury Group addresses non-IPR-related issues such as convergence with global standards, improving the quality of retail environment, and balancing influence between brand owners and parallel importers. Finally, the Legal Group is composed of members' in-house legal counsels and lawyers from external law firms who work to ensure that the Korean legal services industry is liberalised to the benefit of ECCK members.

Marine & Shipbuilding

Location: Busan

The Marine & Shipbuilding Committee supports member companies in the shipbuilding and shipping industries. The Committee is based in the city of Busan, a maritime city where there is a concentration of shipbuilding companies.

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ERM Korea
Steve Duckworth
Managing Director

EU:

EU Delegation
Pedro Santos
Trade Counsellor

ECCK Management

Secretary General:

Christoph Heider

Deputy Secretary General:

Bo Sun Kim

Interview with Secretary General, Mr Christoph Heider



Mr Christoph Heider was appointed as the ECCK's new Secretary General by the Board of Directors effective from June. As former CFO of Bayer in Korea, Mr Heider vows to build a strong and competent ECCK in the coming months.

To begin, how does it feel to be named the new Secretary General of the ECCK? What are your motivations and interests in joining the ECCK?

I am very thrilled and honoured to be appointed as the new Secretary General of the ECCK. This position has brought me to an interesting new field. I used to work at a corporation, but now, I have the opportunity to support the European business community as a whole. Instead of focusing on company targets, I would like to give something back to the business community in Korea. If the European businesses flourish in Korea, Korea also benefits. So the benefits are mutual, not only for the companies, but also for consumers and government institutions.

You have had a long career at Bayer AG since 1997. How has this experience shaped you as a leader and a teammate?

I joined Bayer in Japan and had responsibility from the first day at a relatively young age. I learned to lead people, make decisions, and take calculated risks. The opportunity of working 15 years in and with Asia also brought me intercultural competence - if you work abroad, you have to listen to people as well as understand and accept that certain things are different. Therefore, I can say that my leadership approach fits well to an international setting, thanks to the experience I had at Bayer. In my last assignment in Bayer Korea, I learned a lot in terms of how Korean businesses run and operate. I believe my previous work experience will definitely help me foster an even stronger commitment to the ECCK.

What is your vision for the ECCK? What do you think the ECCK can and should do?

I would like the ECCK to become

strong, and the voice of the European business to be heard and accepted by stakeholders. We should make sure that the ECCK provides valuable contribution to its members as well as to the Korean economy.

What kind of challenges and opportunities do you anticipate as you step into your new role as the Secretary General?

The major challenge is to build the ECCK as a strong organisation and to extend our membership base. We have to prove to our members that we provide high quality service, improve the way we communicate, and ensure that we reach out to our members to better understand and cater to their needs. We also need to extend our network so that we can become more visible in the Korean society.

More specifically, we need to cultivate and strengthen existing relationships with government institutions as well as to re-define communication and information channels with foreign embassies and chambers. I will start visiting members, chambers, and embassies to learn about their needs and the current market situation. I would like to co-operate with many institutions. In terms of member management, I would like to meet each and every member, not only in Seoul, but also in Busan.

Can you briefly tell us about your action plan?

The ECCK's role is to provide our members and partners with a platform for information exchange and networking.

For this purpose, the ECCK will launch several new initiatives in the months to come. To function as an efficient information platform, we will start circulating newsletters and issue reports starting in July.

Our first periodicals are to be published in June as well. To provide more industry-specific information, we are also planning to launch a number of new committees. We will strive to achieve quality services and take an evolutionary approach for improvement.

In the meantime, the ECCK will also focus on improving and cultivating good relationships with many organisations. We have already established a solid relationship with the EU Delegation in Korea. The first Advisory Board Meeting - comprised of appointees by national chambers and embassies - will be convened on 10 June. The ECCK intends to be active in co-operation. We have already started discussions with Yonsei University, one of the top universities in Korea, and another organisation set up by the City of Seoul to support foreign start-up businesses.

ECCK staff and I have discussed and reviewed numerous ideas. But most important is what our members want. In July at the latest, the ECCK plans to conduct a survey to find out expectations, needs, and wishes of the members by which we will prioritise our activity plans.

As the new Secretary General, what would you like to say to the ECCK members?

I have already received various comments from several members. I know that many people share our vision of strengthening the ECCK. I am 100% committed and convinced that together with the support of our members, the Board of ECCK, and ECCK staff, we can accomplish this goal. We are open for informational exchange, and I am always open to discussion. Only with the support of our members, we can ensure that the ECCK can achieve to serve our members' best interests.

VOICE OF MEMBERS

Reflecting the first six months of the ECCK’s establishment, our valued members gave us candid opinions and advice on the Chamber’s direction. We appreciate our members’ encouragements and constructive feedback, and we will do our best to improve our services.

The manner in which the ECCK has established itself in terms of openness and with updates to members has been a significant improvement. Moreover, a number of initiatives, such as the appointment of an audit firm, enhanced corporate governance and on-going feedback to members, have been implemented.

Chris Linde
Chief Operating Officer
Deutsche Securities Korea Co.

I believe the new ECCK definitely has value-added to the members. The new start, of course, has been a bit bumpy, but I have confidence in the new ECCK. Generally, I am happy with the services offered. Personally, I am most interested in the CFO-committee. Networking nights are also helpful events. The only thing I would like to comment on is that communication with members has not been perfect. So, maybe the ECCK can improve its internal communication.

Markus Ritzauer
Chief Finance Officer
Bayer Korea Ltd.

To my understanding, the past six months have been primarily used to set up the new Chamber. During this time, activities available for participation included the Annual General Meeting, elections and a couple of networking events. Even though these events were constructive, I would like to see additional services from the ECCK. Some of the topics I would like to see addressed are:

- Networking events that bring European and Korean business people together
- Steady updates on the existing FTA as well as political, economic and juristic facts relevant to the ECCK members
- A clear organisational chart that demonstrates the various responsibilities within the chamber and a list of contact personnel

I look forward to building an enriching and mutually beneficial relationship together.

Stani Zimmer
Director of Sales and Marketing
Asian Tigers Korea

Bayer strongly supported the foundation of the ECCK. Despite initial difficulties, the ECCK managed to build a solid structure. We expect the ECCK to strengthen the image of the European industry in Korea. In the months to come, the ECCK should give clear proof that all internal control mechanism is effective. Also, the ‘brand’ ECCK has to be built up towards external stakeholders. Bayer has full trust that the ECCK will soon become an active supporter of European companies. We will also actively contribute to this process.

Niels Hessman
Chief Executive Officer
Bayer Korea Ltd.



Dream of white horse 193.9X130.3cm Oil on canvas 2013

2013 DREAM - BE AMBITIOUS

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LUNCHEON EVENT

EU-Korea FTA, After 18 Months



The ECCK organised a special luncheon with guest speaker, Ms Signe Ratso, Director in DG Trade of the EU Commission, for an overview of the EU-Korea FTA on 19 March at Grand Hyatt, Seoul.

“The EU has an ambitious FTA negotiation agenda,” emphasised Ms Ratso as she began her presentation on “The EU-Korea FTA, After 18 Months and the EU Trade Policy in Asia” at the ECCK luncheon on 19 March 2013. The agenda includes multilateral liberalisation in trade, which is expected to help create considerable size of GDP. As the Director in DG Trade, Ms Ratso oversees the industrial aspects of the EU trade policy. She is also the Chair on the EU side for EU-Korea FTA Working Groups on Motor Vehicles and Parts, Pharmaceuticals and Medical Devices and Chemicals.

Referring to the EU-Korea FTA, the first FTA between the EU and an Asian country, Ms Ratso anticipated that it would open up more opportunities for the EU in the Asian market. The EU-Korea FTA includes the elimination of virtually all tariffs on goods within five years as well as non-tariff commitment for goods, such as motor vehicles and parts,

electronics, pharmaceuticals and medical devices. It also aims to further market access for services, improve rules for several sectors including finance, insurance and legal services, establish stronger rules and enforcements regarding Intellectual Property Rights (IPR) and set swift dispute settlement procedures.

Following the overview of the EU-Korea FTA policy, Ms Ratso highlighted the positive effects the EU-Korea FTA has brought to both sides. “EU exports are shifting relatively more towards Korea as a result of the FTA while Korean trade with the EU has been decreasing since 2011, moving into deficit. However, only the EU managed to increase share in the overall Korean imports, increasing from 9 per cent in 2011 to 9.7 per cent in 2012 unlike China, Japan and the US,” said Ms Ratso. Top EU exports to Korea include services, machines, automobiles and agricultural goods, and top

Korean exports to the EU electronics, ship and automobiles.

Specifically in the automobile sector, both sides have seen considerable improvements in their performances as EU exports to Korea increased by 27.7 per cent and Korean exports to the EU by 14.9 per cent. The increase in sales figures can be explained by the fact that the European premium cars have thrived in the high-end auto market in Korea, while Korean medium-sized cars have successfully penetrated to the European market. Encouraged by the favourable outlook, Citroen and Fiat re-entered the Korean market and resumed their sales in 2012 and 2013 respectively. Hyundai and KIA also have invested in car manufacturing plants in Czech Republic and Slovakia as well as in an R&D design centre in Germany. “EU-Korea FTA is the most ambitious FTA by the EU with respect to services in sectorial coverage and depth of market access,” added Ms Ratso. Korea is

well advanced in implementation of its commitments in sectors such as insurance, telecommunications, environmental and legal sectors. With regards to financial services, commitments are currently in the process of being implemented and the EU is closely monitoring this process.

In concluding the presentation, Ms Ratso underscored that the EU-Korea FTA is beneficial to both sides and that the utilisation rates are likely to increase in the future. Although non-tariff barriers and regulatory co-operation are the most challenging parts to implement, there are clear benefits once implemented.

Interview with Ms Signe Ratso

What is your evaluation of the overall impact of the EU-Korea FTA over the past 18 months?

The FTA has been successful, and the agreement has been beneficial to both sides. We still have a trade deficit with Korea, but it has been declining considerably and it is the lowest level that we ever had. As a support of the implementation monitoring process, we are in very close contact with our Korean counterparts in order to make sure that what has been proceeded in agreement is actually being implemented.

During the presentation, you pointed out that four out of ten major EU trading partners are Asian. Do you think the Free Trade Agreement with Korea can function as a potential gateway to other countries in Asia?

Certainly. Asia is a significant trade partner of the EU. We acknowledge the importance and potential benefits of Asian countries and are actively engaging in ongoing negotiations to create mutual co-operation and a friendlier environment for our European companies. Our

efforts are reflected in the EU Trade Policy as we have quite a strong focus on Asia. These Asian markets are big and growing, but there are certainly some high trade barriers in these markets that need to be overcome. The EU-Korea FTA is a good example. It was concluded in a short time and it is a new type of agreement, which also looks into regulatory issues. It sets an example for other FTAs, particularly in the Asian region. So, yes, EU-Korea FTA certainly can be a potential gateway to others in Asia.

European corporations have played an increasingly important role as the largest foreign investors in Korea, and there is a substantial inflow of European technology and manufacturing investments into Korea. What makes Korean market so attractive?

Korea is one of the biggest markets in Asia. Owing to the FTA, there is now better market access to Korea. Looking at the developments, Korean exports have been bigger, but we have been able to reduce the trade deficit to a historical low after the EU-Korea FTA has been implemented.

According to the annual report by the European Commission, in the first year of implementation of the agreement, EU exports to Korea increased by 37 per cent overall while Korean exports to the EU only marginally increased by one per cent. Many raised concern that the EU-Korea FTA brought unequal benefits for both sides. What is your view on such negative opinion?

The trade is continuing to grow between the EU and Korea, even if the EU has been doing slightly better than the Korean side. But this is perhaps owing to that, the demand on the EU side is not as big as one we would like to see for the time being. Under such circumstances, Korea would have done much worse without the

FTA. So, there is a clear benefit also for the Korean side. In addition, the EU's role in world trade continues to be in the central position. The EU continues to be the largest exporter, importer and recipient of FDI in the world. For Korea, the EU is a big market to be part of. FTA gives Korea a privileged access to this market. Korean companies should take advantage of that.

The EU is in the process of negotiating bilateral free trade agreements with other countries. Would these FTAs with large economic blocs like the US influence the FTA with Korea?

As the leading trade region, the EU has a strong interest in not only opening markets but also establishing clear regulatory frameworks. The FTAs are designed in such a way that in the end, they can be multilateralised. Now that big trading blocs start negotiations, such as the upcoming EU-US negotiations, they will set rules for the future and will be beneficial to other agreements.

As a female leader, you serve as an inspiring role model for young women. Can you give recommendations to the future female leaders like yourself?

I think there is no difference, whether female or male. I come from a country where it is quite normal for a female to be in high positions in society. Even in the trade area that used to be male-dominated, more and more females are represented in management and leading positions. In my case, by the age of 34, I had two university degrees and two children and I became a Deputy Secretary General [at the Ministry of Economic Affairs and Communications of the Republic of Estonia]. At that time, Estonia also went through many new reforms, which was an exciting experience for me. I was part of and leading negotiations with the EU. I enjoyed doing that very much and will continue to enjoy doing so.

ECCK Head Vows to Support Korea's Efforts to Reshape Foreign Investment Environment

Representatives of foreign chambers of commerce and CEOs of international firms showed their commitment to investments in South Korea, and shared opinions to improve the investment environment during a meeting with President Park Geun-hye on 11 April 2013. Participants included Mr Thilo Halter

of the ECCK, the heads of AmCham and other foreign chambers of commerce, as well as CEOs of leading international companies in Korea. Present at the meeting were Minister of Trade, Industry & Energy, Vice-Minister of Strategy & Finance, Vice-Minister of Employment & Labour, as well as two top security officials, Chief of National Security Office and Senior Secretary for Foreign Affairs and National Security.

At the start of the meeting, President Park assured participants of South Korea's readiness and close co-operation with the international community amid growing tension with the North. Mr Thilo Halter also expressed strong support for South Korea's new economic agenda focused on SMEs and high-tech industries. "The EU is the largest foreign investor in Korea. European

businesses have a lot to offer in Korea's economic transition, for we have accumulated know-how to promote the innovative potentials of SMEs," said Mr Halter.

Regarding changes in regulations, Mr Halter emphasised the importance of predictability, clear notification in promoting investment and fruitful co-operation. His remarks were met with favourable responses. President Park claimed at the end of the meeting that she believes transparency and predictability are keys to attracting foreign investment.

European investors and the Korean economy will mutually benefit from predictable business environment. Mr Halter added, "The ECCK will actively support Korea's effort to shape a better investment environment".

CFO COMMITTEE Tax Audits in Korea – A Practical Guidance



From Left: Mr Tae Kyoon Kim, Mr Seung Wan Chae, Mr Hyeok Ju Kim and Ms Maria Chang of Bae, Kim & Lee LLC

On 21 February, the ECCK CFO Committee held its first meeting of 2013. For this special session, Mr Tae Kyoon Kim, Ms Maria Chang, Mr Seung Wan Chae and Mr Hyeok Ju Kim of Bae, Kim & Lee LLC (BKL) presented on the "Tax Audits in Korea – A Practical Guidance".

The presenters summarised the general tax audit procedures in Korea, procedural guidelines to follow during tax audits and offered practical insights into audit issues specific to Korea.

Some of the fundamental gui-

dance on audit procedures included an explanation of the types of documents generally requested by tax authorities, the penalties for failing to provide the requested documentation and the rights granted to the tax authorities to access company information during the on-site audit.

Given the importance of the on-site audit in determining the final outcome of the audit, it is important for foreign companies to have pre-screening procedures in place, to closely monitor the issues that arise through-

out the audit period, analyse the issues, develop strategies and retain qualified tax advisors. A mock audit is also highly recommended as a means to raise awareness of all pertinent tax issues and be able to prepare the necessary information to support one's position.

The BKL presenters also highlighted recent trends in tax audits of foreign companies, particularly the scrutiny on transfer pricing, withholding tax on management accounts and value-added tax issues.

TAXATION COMMITTEE ECCK Annual Taxation Seminar

On 14 March, the ECCK Taxation Committee successfully held its annual Taxation Seminar on Tax Law Changes for 2013. Members were informed about new regulations, recent changes as well as the impact for European companies in Korea.

In the first presentation on '2013 Tax Law Revision', Mr Peter Lee of Samil PwC provided an overview of major revisions and amendments to tax laws for this year. Notable topics included i) the revisions to entertainment expenses; ii) guidance that reflect OECD and international standards; iii) VAT revisions; iv) additions to transfer pricing regulations; v) higher qualification standards for claiming credits and exemptions; and vi) the increase in the individual income tax flat rate for foreigners.

Overall, this year's tax revisions

seem to reflect the new government's emphasis on collecting more taxes by increasing certain tax rates and establishing stricter credit and exemption standards. Furthermore, the introduction of regulations that discourage inter-company transactions between affiliated companies and provide more tax benefits for small and medium-sized businesses was highlighted.

The second presentation on 'Foreign Entity Classification Rule' was delivered by Ms Soo-Jeong Ahn from Yulchon. She explained the classification of foreign entities that determines how foreign entities are taxed in Korea. It had been unclear whether a foreign entity would be treated as a separately taxable entity (corporation) or as a pass-through entity.

This ambiguity in the statutory regime was finally addressed, as the Korean tax law was amended in 2013 via a codification of a foreign entity classification rule.

If the foreign entity falls under one or more of the following criteria, it will be treated as a foreign corporation subject to corporate income tax: i) have a juridical personality granted by laws of the establishment jurisdiction; ii) solely consist of members with limited liability; iii) have an independent existence enabling it to act as a principal with rights and obligations separate from that of its partners; and iv) possess similar legal characteristics as a domestic

(Korean) entity that is a corporate entity under Korean corporate law. The above rule, combined with the new withholding tax procedures, should enhance the predictability and legal stability for foreign investors.



Peter Lee (Samil PwC) and Soo-Jeong Ahn (Yulchon)

New Chairmen of the Finance Committees

The Finance Committee is a group of five independent committees: Banking, Capital markets, Insurance, CFO and Taxation. It serves as a platform for discussion, a communication channel between the members and the Korean government, and provides networking opportunities within and beyond the financial sector.



Mr Rocco Eisebith

Chairman | CFO Committee
CFO | Mercedes-Benz Financial Services Korea Ltd.



Dr Nicolai Nahrgang

Vice Chairman | CFO Committee
Attorney at Law | Kim & Chang



Mr John Wylie

Chairman | Insurance Committee
President & CEO | ING Life Insurance Korea, Ltd.



Mr Alex Joong-Hyun Lee

Chairman | Taxation Committee
Partner | Samil PricewaterhouseCoopers

COSMETIC COMMITTEE

Round Table Discussion with the MFDS on '2013 Cosmetics Policy'

The ECCK Cosmetic Committee organised a Round Table Talk with Mr Young-Ok Kim, Director of Cosmetics Policy Division at the Ministry of Food and Drug Safety (MFDS) on 14 March 2013.

With the advent of new Park Geun-hye Administration, the former Korea Food and Drug Agency (KFDA) has seen an elevated status as a ministry (MFDS) and is expected to assume a larger role in drafting and implementing the cosmetics policy. Indeed, a number of regulatory changes are in sight. To better

understand the upcoming changes in the cosmetics industry and government policy, the ECCK Cosmetic Committee invited Mr Young-Ok Kim, Director of Cosmetics Policy Division at the MFDS, for a round table discussion on '2013 Cosmetics Policy'.

Before opening up the table for discussion, Director Kim emphasised his willingness to listen to concerns of the industry and share opinions with market players. The discussion centred on the newly enforced MFDS notice on substantiation of labelling and advertisements in 2013. Director Kim



cautioned the industry against exaggerated pharmaceutical claims and advised the industry to review the officially announced MFDS guidelines, notices and MFDS interpretations on various claims regarding labelling and advertisements.

Director Kim also confirmed the MFDS position that English labels should be treated equally as Korean labels. Nonetheless, there needs to be further discussion between the EU and Korean authorities on a number of topics including the category swift plans for European cosmetic products that are categorised as quasi-drugs in Korea.

In 2013, cosmetic claims substantiation rules will be an important issue for both the cosmetics industry and the government. The ECCK plans to hold additional round table talks with Korean authorities to support our members to follow up with its implementation status.

Min-Chul Kim, Manager of Homologation Service and Parts at Mercedes-Benz Korea, who led the Working Group discussion.

"Regarding the FTA, there are still additional issues that need to be addressed. Both sides need more discussions. As part of the process, we hold the Working Group Meeting regularly to share opinions that could help open the market further," said Mr Kim.

As the automotive industry is undergoing a hard time due to the worldwide competition in technology, Mr Kim suggests the ECCK to reinforce its competencies by creating a specialist group of experts in diverse areas so that it can more effectively appeal to the government.

finance Centre. The agenda for the meeting included revised drafts of after sales management of Ministry of Trade, Industry and Energy (MOTIE: former Ministry of Knowledge Economy), fuel efficiency plan 2020 of the MOTIE, CO₂ and fuel economy (FE) target of the Ministry of Environment (MOE) and the MOTIE as well as categorisation of vehicles over 2.5 tons.

The EU-Korea FTA brought positive effects to the automotive industry with reduction in tariffs. Yet the agreement still needs fine-tuning as there are still many issues that need to be discussed between both parties, according to Mr

AUTOMOTIVE COMMITTEE

Working Group Meeting of the ECCK Automotive Committee

On 26 March 2013, representatives from the European automotive industry gathered for a monthly Working Group Meeting organised by the ECCK's Automotive Committee at the Seoul Fi-

ECCK Busan Chapter News

ECCK BoD Meeting at Busan



On 23 May 2013, ECCK's Board of Directors held a meeting with members based in Busan to promote communication between the management and Busan members. ECCK's Busan Chapter has been active since the ECCK was officially established in December 2012.

Participants had an active discussion about the ECCK's general activities and budgets, its action plan, and the operations of the Busan Chapter. Mr Heider, the newly appointed Secretary General, also had an opportunity to introduce himself to Busan members and explain his plans for the ECCK.

The Board members assured that the Board and the members in Busan would further communicate on any prominent issues as Busan members are an integral part of the Chamber.

ECCK Busan & PNU EU Centre Seminar

The ECCK Busan Chapter and the PNU EU Centre held a joint seminar

on "Financial Management and Foreign Exchange Strategy" on 15 February 2013 to share practical knowledge on finance management. Baker Tilly Sungto Accounting Firm gave a presentation on tax management for foreign corporations and Woori Bank on foreign exchange hedging strategy.

St Patrick's Network Club

On 14 March 2013, the members of the ECCK Busan Chapter gathered at the Haeundae Wolfhound Pub to celebrate St Patrick's Day with Guinness beer. This Network Club is a casual socialising event for introducing new members who recently came to Busan and establishing closer relationships among the European corporations.

M&S Seminar

On 5 April 2013, Samsung Heavy Industries and Maritime Exchange Information Centre presented on the Greenship Strategy and the prospect of global maritime trend at the ECCK Busan Chapter Maritime and Shipbuilding Seminar.

HR Seminar

The ECCK Busan Chapter organised a Human Resources (HR) Breakfast Seminar with Mr Jin Kim of People Labour Law Firm to discuss about the preparation for small-sized company inspection by Ministry of Labour on 26 April 2013.



IPR CENTRE

Visit to Busan Enforcement Authorities

On 23-24 May 2013, the ECCK delegation visited enforcement authorities in Busan in charge of protecting intellectual property rights (IPR). Authorities visited included Busan Main Customs, Busan Coast Guard, the Busan office of the Korean Intellectual Property Office Special Judicial Police, Busan Metropolitan City Government Economic Policy Division, and Busan District Prosecutors' Office.

One of the highlights of this visit was the meeting with Dr Cha Doo-Sam, Director General of Busan Main Customs. Busan is the largest port in Korea measured by traffic volume, the third largest in the world, and the port is a major transshipment centre connecting global trade routes. This makes Busan Main Customs a crucial partner in the IPR enforcement efforts of the ECCK and its members.

The ECCK conveyed concerns from its members that counterfeiting is still a pending issue in Korea, and seems even on the rise in popular markets. The ECCK also proposed to increase co-operation with Busan Main Customs as an essential partner in fighting against counterfeit smuggling.



Mr Christoph Heider and Dr Cha Doo-Sam

IPR CENTRE
Get 'Real'
with ECCK
IPR Centre



The ECCK Intellectual Property Rights (IPR) Centre operates under the umbrella of the ECCK Legal Affairs Committee and specifically addresses issues related to intellectual property. Intellectual property refers to the ownership of creations of the mind such as names, logos, images, designs, inventions, artistic and literary works. These creations are protected through various legal instruments—principally trademarks, industrial designs, patents and copyrights—at both national and international levels. The IPR Centre works with member companies from all industries within Korea as well as in the broader Asia-Pacific region to improve the overall intellectual property environment in Korea. With the aim of raising public awareness of IPR challenges, the IPR Centre particularly focuses on trademark protection and enforcement in Korea.

The Economics of Counterfeiting

Following the global trend, the IPR infringement has sharply risen in the last few years as reflected by the fact that the number of registered cases has more than doubled from 2009 to 2011. Along with the development of the e-commerce, small parcel shipments emerged as the new method of smuggling counterfeits as opposed to previous large-volume shipments using containers. In the 2011 edition of its annual Report on EU Customs Enforcement of Intellectual Property Rights, fake medicines ranked first as per number of articles seized, shoes in number of cases, and watches by domestic retail value ranking.

The continuous selling of counterfeits follows the laws of economics, as there is sustained demand and supply. Production and smuggling of counterfeits are indeed less risky for criminals and bring in more

money than drug trafficking. As an example often given by European enforcement officers, one kilogramme of counterfeit CDs is worth three times more than the same amount of cannabis.¹ It is not surprising, therefore, that counterfeits have been increasingly used by organised crimes to generate revenue and even finance terrorism.²

It is difficult to quantify the economic impact of counterfeiting, which is by nature a hidden activity. However, there have been attempts, for example by the Organisation for Economic Co-operation and Development (OECD) in 2008, to evaluate losses resulting from counterfeiting and piracy activities. Although estimations vary, it is reasonable to assume that international trade of counterfeit products amounts to more than USD 200 billion and results in hundred thousands of job losses every year globally.

¹ Agence France Presse, Cartier, Lacoste, Nike: des contrefaçons qui se comptent par tonne”, economic news, July 18, 2002



Counterfeiting in Korea

While Korea has witnessed increasing progress in the promotion, protection and enforcement of intellectual property over recent years, there is room for improvement in regulations and enforcement. Street vendors selling counterfeit products make more than USD 2,800 (KRW 3 million) per day on average in Korea, as revealed by a major newspaper in 2012 and confirmed through cases brought to prosecution.

In contrast with Korea, European countries tend to be very stringent with intellectual property rights infringements, not only against manufacturers, smugglers or distributors, but also against consumers. In France, for example, customs authorities can confiscate any counterfeit item and fine the consumer up to twice the value of the genuine product. Possession of counterfeit goods is also a criminal

offence punished by a maximum of three years of imprisonment, as well as up to EUR 300,000 of fine.

With the implementation of the Korea-EU FTA, creating a better IP environment will all the more raise the profile of Korea for investors, both foreign and domestic. In order to eliminate counterfeiting, strong deterrent action against counterfeiters must be taken by the authorities, and policies and new strategies must be developed to raise public awareness and curb the demand for fake products. Most companies understand the threat posed by counterfeiting and already implemented brand protection strategies at regional and local levels.

IPR Centre Activities

The ECCK IPR Centre takes a two-fold approach to reducing the demand for fake goods – enforce-

ment and education. It has been supporting government initiatives in enforcing intellectual property rights. In agreement with member companies, the IPR Centre has tried to tackle the problem of street vendors selling counterfeits in popular markets of Seoul. For instance, the Myeongdong Project has been successfully carried out by Jung-gu Office and the Seoul Metropolitan Government with support of the IPR Centre and the member companies.

To promote public awareness and education, the IPR Centre will hold its annual anti-counterfeiting campaign from May and throughout 2013. The first event took place at the 8th Busan Global Gathering on 25 May. Taking the opportunity of this popular cultural festival, the ECCK staff displayed fake items and provided information to the public on how and for what criminal purposes are these items made and sold.

² Los Angeles Times, Counterfeit Goods Linked to Al Qaeda, July 17, 2003.

NETWORK NIGHT: HAPPY HOUR WITH THE ECCK

The ECCK regularly hosts networking events for everyone interested in meeting new friends, learning more about the Chamber, and cultivating business relationships. Feel the vibe of our Network Nights and be a part of it!





CHAMPAGNE BRUNCH
AT 37 GRILL

Conrad Seoul

37 Grill, a signature restaurant at Conrad Seoul launches ‘Champagne Brunch’ on every Sunday and holiday. The Champagne Brunch at 37 Grill presents sensual dishes and fresh champagne in the middle of breathtaking 180-degree city and Han River vistas.

Contacts
Jean Park / Angela Cho
Conrad Seoul
T 02.6137.7505 / M 010.6560.3508
T 02.6137.7506 / M 010.8843.3380
jean.park@conradhotels.com
angela.cho@conradhotels.com

Champagne Brunch at 37 Grill presents its own savory dishes of fresh ingredients, simple yet exquisitely executed cooking methods with fine Taittinger champagne. For more comfortable and leisurely dining experiences, the brunch will be semi-buffet style and a la carte combined together. Welcome cocktail and Taittinger champagne will be served together. Mouth-watering buffet stations start from pastries, home-made jams, fruit compots, yogurts, and fresh salads to appetizer section featuring seafood platter and cold meat platter, various kinds of cheese, and desserts. While enjoying meals from buffet stations, soup, special egg dish and French toast will be served. As the best premium grill restaurant, 37 Grill offers a fascinating premium grill dish for the main dish. One dish can be chosen among various choices of premium beef, organic poultry, and seafood such as lobster, abalone, sea-bass and shrimp and more.

The Champagne Brunch runs between 11:00 and 14:30 on every Sunday or holiday at 37 Grill and there are two types of amounts.
– Brunch with a glass of Taittinger champagne : KRW 80,000 including tax
– Brunch with unlimited Taittinger champagne : KRW 105,000 including tax
(For children between 6 year-old and 12 year-old : KRW 40,000)



SEASCAPES RESTAURANT

Novotel Ambassador Busan

Beer & Wine Unlimited Buffet for Dinner
Korean Style Food for Lunch on Weekday

Seascapes
Location: Lobby F
Operation: Lunch 12:00~14:30
Dinner 18:00~22:00
Inquiries: Seascapes (051) 662-6260

Contact
(051) 744-6411 / pr@novotelbusan.com

Seascapes on the lobby level in the hotel is a buffet restaurant where patrons can savor cuisine from all over the world while enjoying an ocean view from inside the restaurant.

Seascapes will start cool draft beer and wine unlimited promotion for dinner buffet guests coming 1st June. This special opportunity which is enjoying the summer of Haeundae beach and unlimited beer & wine will go on until September. The price is KRW55,000 for weekdays and KRW58,000 for weekends (including 10% service charge and 10% tax).

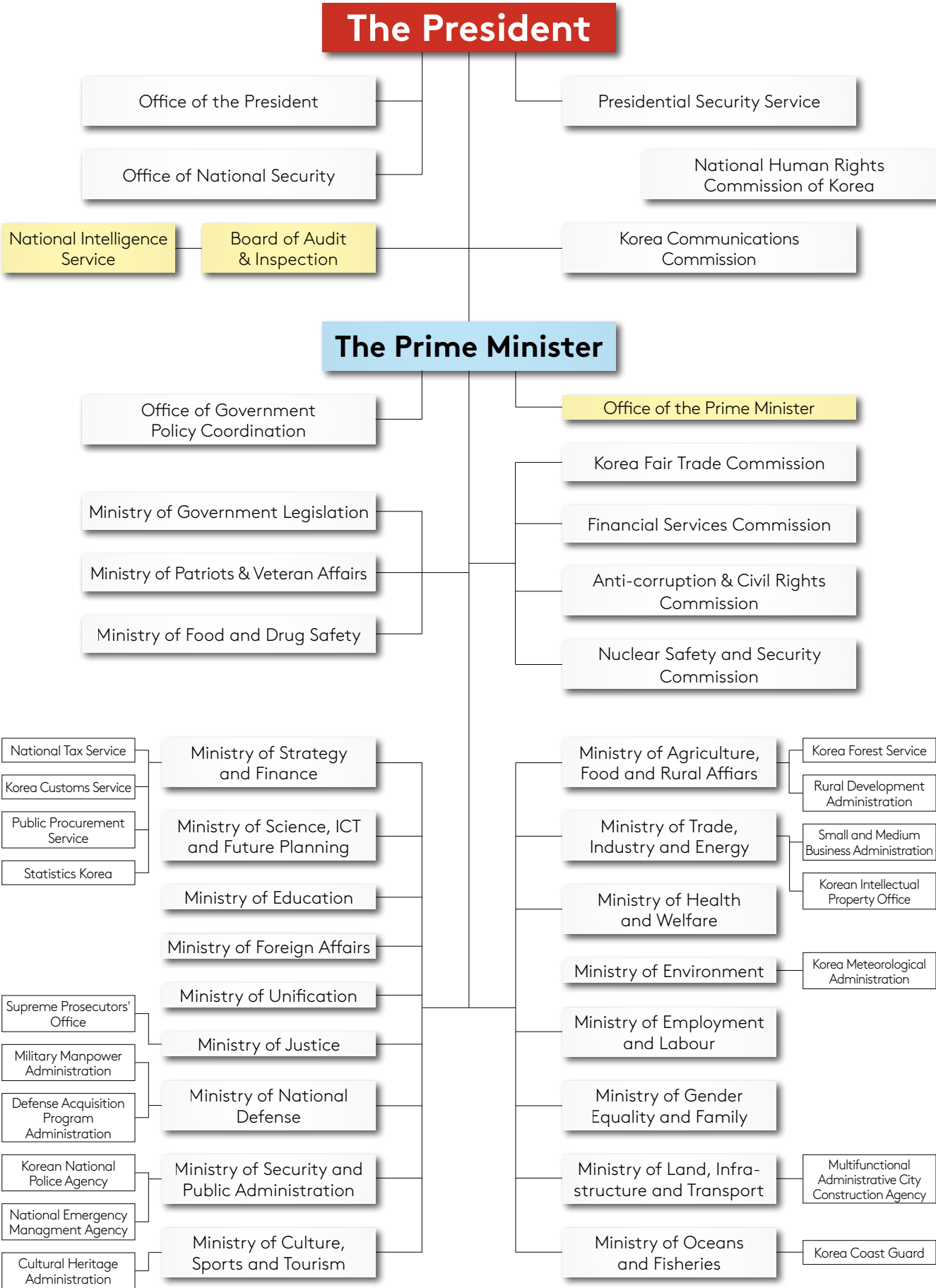
In addition, Seascapes offer the ‘Korean Speciality Lunch’ which is composed by a favourite menu for Korean on weekday lunch. This lunch special is prepared by neat and thoughtful culinary art of Novotel Ambassador Busan and these menus are ‘Stone



Pot Bibimbap’ and ‘Abalone and seafood Ttukbaegi’ and ‘Seascapes table d’hôte’. It’s available from 12:00 to 15:00 on weekdays and price is from KRW 21,000 (including 10% service charge and 10% tax).

Structure of the New Korean Government

With the inauguration of President Park Geun-hye, the organisational structure of the Korean government was modified to reflect the new government’s policy direction. In accordance with the *Government Organisation Act*, passed on 22 March at the National Assembly, and in effect from the following day, the Korean government has set up 17 ministries, 3 departments, and 17 agencies with the notable establishment of the Ministry of Science, ICT & Future Planning (MSIP). The following pages provide a brief overview of the Korean government structure and profiles of new ministers.



	TITLE/MINISTRY NAME, HOMETOWN	EDUCATION	MAJOR CAREER
	Prime Minister CHUNG Hongwon Hadong-gun Gyeongsangnam-do	LLB, Sungkyunkwan University	– Chairman, Korea Legal Aid Corporation – Busan District Attorney – Judicial Exam
	Deputy Prime Minister & Minister of Strategy and Finance HYUN Oh-Seok Cheongju City Chungcheongbuk-do	PhD, Economics, University of Pennsilvenia BA, Business, Seoul National University (SNU)	– President, Korea Development Institute (KDI) – Economic Secretary, Blue House ('93-'96) – Civil Service Exam
	Minister of Science, ICT and Future Planning CHOI Mun-Ke Yeongduk-gun Gyeongsangbuk-do	PhD, University of North Carolina MA, Industrial Engineering, Korea Advanced Institute of Science and Technology (KAIST) BA, Applied Mathematics, SNU	– Professor, Management Science, Korea Advanced Institute of Science & Technology (KAIST)
	Minster of Education SEO Nam-soo Seoul Gyeonggi-do	BA, Philosophy, SNU	– Dean, Uiduk University – Civil Service Exam – Vice Minister for Ministry of Education & Human Resource
	Minister of Foreign Affairs YUN Byeong-sae Seoul Gyeonggi-do	MA, The School of Advanced International Studies (SAIS), The Johns Hopkins University LLB, Seoul National University, Seoul, Korea	– Advisor, Kim and Chang Law Firm – Head of Foreign Affairs and Security, Blue House ('06-'08) – Foreign Service Exam.
	Minister of Unification RYOO Kihl-jae Seoul Gyeonggi-do	BA, Political Science, Kyungpook National University	– President, the Korean Association of North Korean Studies – Professor, the University of North Korean Studies
	Minister of Justice HWANG Kyo-ahn Seoul Gyeonggi-do	LLB, Sungkyunkwan University LLM, Graduate School of Law, Sungkyunkwan University	– Lawyer, BAE, KIM & LEE LLC (Taepyungyang) – Busan Chief Prosecutor – Judicial Exam
	Minister of National Defense KIM Kwan-jin Jeonju City Jeollabuk-do	Korea Military Academy	– Minister of National Defense (2010, 2011, 2012) – Commanding General, 3rd ROK Army (TROKA) – Chairman, Joint Chiefs of Staff
	Minister of Security and Public Administration YOO Jeong-bok Incheon Gyeonggi-do	Doctoral Program in Political Science, Yonsei University MA, Public Administration, SNU BA, Political Science, Yonsei University	– Vice Chairman, The 18th Presidential Inauguration Committee – Member of the 17th, 18th and 19th National Assembly

	TITLE/MINISTRY NAME, HOMETOWN	EDUCATION	MAJOR CAREER
	Minister of Culture, Sport and Tourism YOO Jinryong Incheon Gyeonggi-do	PhD, Public Administration, Hanyang University MA, Public Administration, Graduate School of Public Administration, SNU	– Dean, Hallyu Graduate School, Catholic University of Korea – Vice Minister of Culture and Tourism – Civil Service Exam
	Minister of Agriculture, Food and Rural Affairs LEE Dong-phil Uiseong-gun Gyeongsangbuk-do	PhD, Agricultural Economics, University of Missouri, USA MA, Economics, SNU BA, Livestock Management, Yeungnam University	– President of the Korea Rural Economic Institute – Commissioner of the Ministry of Food, Agriculture, Forestry, & Fisheries Regulatory Audit Committee
	Minister of Trade, Industry and Energy YOON Sang-jick Gyeongsan City Gyeongsangbuk-do	SJD, University of Wisconsin-Madison, USA LLM, University of Wisconsin-Madison, USA BA, International Economics, SNU	– 1st Vice Minister for Industry and Technology, Ministry of Knowledge Economy (MKE) – Secretary to the President for Knowledge Economy, Office of the President
	Minister of Health and Welfare CHIN Young Gochang-gun, Jeollabuk-do	LLM, University of Washington School of Law, USA LLB, SNU	– Member of the 17th, 18th and 19th National Assembly – Judge, Southern Branch of Seoul District Court
	Minister of Environment YOON Seong-Kyu Cheongju City Chungcheongbuk-do	PhD, Environmental Engineering, Hanyang University MS, Environmental Engineering, Hanyang University	– Research Professor, Hanyang University – Director, Water Quality Conservation, Ministry of Environment
	Minister of Employment and Labour PHANG Ha-nam Wando-gun, Jeollanam-do	PhD, Sociology, University of Wisconsin-Madison, USA MA, Sociology, Vanderbilt University BA, English, Hankuk University of Foreign Studies	– President of Korean Pension Association – Director General, Korea Labour Institute
	Minister of Gender Equality and Family CHO Yoonsun Seoul, Gyeonggi-do	LLM, Columbia university, USA BA, Diplomatic Science, SNU	– Spokesperson for the 18th president-elect – Member of 18th National Assembly – Partner, Kim and Chang Law Firm
	Minister of Land, Infrastructure and Transport SUH Seoung-hwan Jeonju City, Jeollabuk-do	PhD, Economics, Princeton University, USA BA, Economics, Yonsei University	– Professor, Economics, Yonsei Univsity
	Minister of Oceans and Fisheries YOON Jinsook Busan Gyeongsangnam-do	PhD, Geography, Kyunghee University BA, Geographical Education, Busan Women University	– Director General, Korea Maritime Institute

COVER STORY:



EUROPE – KOREA EDUCATIONAL PARTNERSHIP

Dare to Think, Where to Link

GHENT UNIVERSITY'S
NEW CHAPTER IN KOREA

It was early April when the delegation from Ghent introduced its new project of the Songdo branch in SUNY Academic Building. Nearby was a plaza around which a few glass buildings sat together looking over a spacious lot that lay as if it held pride of place.

Here, the empty area would soon become the Songdo campus of Ghent University for 900 students from Korea and abroad.

On 8-9 April 2013 at Songdo Global Campus, the symposium was held under the theme “Dare to Think, Where to Link” to mark the opening of Ghent University’s Songdo branch. Distinguished guests from Ghent University, Belgium and Songdo International City made a series of congratulatory speeches and introduced their academic programmes for prospective students. Ghent University, a renowned Belgian higher education institution, will be the first European university to open its branch in Songdo, one of Korea’s iconic initiatives for globalisation.

Ghent University is the third foreign university and the very first European university to open its branch campus in Songdo following two American universities. Songdo Global Campus is stretching to realise its dream of becoming the educational hub of Northeast Asia.



Songdo Global University Campus



The Songdo International City project is a bold initiative that has been kicked around by the national and local governments for almost a decade. The latest part of that initiative has been the establishment of the Songdo Global University Campus (SGUS).

It is a courageous new model for international education reaching across the borders and not hindered by geography or nationality, although there have been a few precedents such as Global Schoolhouse in Singapore, Dubai Knowledge Village and an on-going EduCity project in Malaysia. Undoubtedly, the project would introduce new ideas and methods of instruction to the Korean education system as well as promote Korea’s standing as a destination for higher education.

Located in the middle of the booming East Asian region, SGUS has a potential to function as a centre for East-West intellectual and cultural exchange and will provide vast benefits to participating foreign universities. As the demand for elite higher education in Korea has been among tops in the world, financial and reputational gains would be solid. More importantly, participating institutions will gain visible

global presence and valuable talent recruitment opportunities both in Korea and from neighbouring countries.

In any case, the commitments of the international universities in this initiative are key to success of the university branches and the Global Campus as a whole. Education is less the sum of its prestigious parts but more how the students put together those parts to create something of a greater value. What is more important than setting up a global campus is whether the convergence of various programmes foreign universities bring in will meet the expectations of students and parents.

Introducing Ghent University– Songdo



Founded in 1817, Ghent University is one of the most prestigious institutions in the Dutch-speaking region. More than 35,000 students are enrolled under 11 faculties, 130 academic departments, and a large number of research centres and laboratories. As a vibrant research institution, it focuses on fundamental and independent research of highest quality.

At its Songdo campus, the University has chosen to offer narrowly defined programmes in the fields of Molecular Life Sciences and Bioscience Engineering. Three bachelor’s programmes will be open to prospective students – Food Technology (FT), Environmental Technology (ET) and Molecular Biotechnology (BMT). Whilst keeping the integrity and quality of the original programmes, the curricula for Songdo have been modified to reflect the Korean context. Notably, the originally three-year programmes have been extended to four years.

Ghent University aims to establish itself as the centre of natural sciences. All students will take a common curriculum in the core natural science fields as well as in mathematics and data processing for the first two years. Although theoretical lectures will be given to all students for staff efficiency (just as in Ghent University main campus), attention will be paid to ensure that practical exercises are organised in small groups with a favourable instructor-to-student ratio. Once students have successfully completed the two formative years, they will move on to advanced and specialised studies during their junior and senior years.

As the opening of this branch campus is a ground-breaking project, Ghent University will take on a realistic approach concerning the number of



students and recruitment. Ghent University Songdo branch plans to have a small campus with a small student body population of up to 900 students. Twelve resident professors and 20 visiting professors will teach specialised courses, supervise students, and monitor their academic progress. The first students will be enrolled in March 2014.

Although Ghent University is in a unique position to offer science-focused curricula, it will have challenges to address before becoming a truly successful international university. Recruitment may be the first challenge, for Ghent Songdo's annual tuition reaches up to USD 20,000 (€ 15,500). Those interested in studying overseas may as well go abroad – most likely to the US, if they can afford such tuition. Furthermore, three specialised bachelor's programmes may not be as appealing to those who wish to explore a variety of options and opportunities before they select their topics of interest.

However, it is also noted that European institutions have a unique ap-

peal to Koreans. It is no secret that Koreans have always admired the history and culture of Europe, as an attractive alternative to the plethora of foreign influence coming from the US and Japan. Despite these positive images, it is also true that the European community in Korea has not been able to interact with Koreans as much as they can to establish a more intimate relation between the two societies. This may be the point where we turn our focus on Ghent University to a broader co-

operation between Europe and Korea. Within this context, the presence of a European institution in Songdo represents an opportunity to link all aspects of society via four-year commitments by its students. Are Koreans curious about what alternative programmes European universities offer? The answer is a resounding yes. Can a European university in Korea serve as the platform by which Europeans and Koreans learn more about each other? Absolutely.



GHENT UNIVERSITY

A Message from Professor Paul Van Cauwenberge



When I was in Incheon in 2010, I was very impressed with the urban development project the Incheon Free Economic Zone Authority was realising in Songdo. I was also assured of the willingness of the Incheon Free Economic Zone Authority to make a success of the Songdo Global University Campus and to take Ghent University on board.

I believe this eagerness is justified. In recent years, Ghent University has worked hard to reach high positions in different international university rankings. Our success in this effort proves that Ghent University not only performs well in educating students and carrying out research but also has an undeniable determination to achieve its goals. It is exactly this determination which we intend to bring to the Songdo Global University Campus and which, I think, will help to turn the Ghent University branch campus into a success.

When somebody asks me what the benefits of the Korean branch campus are for Ghent University, I don't have any problem answering. First of all, Ghent University appreciates the idea that in the future we will have a campus at the centre of Northeast Asia. At this campus we will welcome Korean students who are known to be excellent students. Our presence in Korea should also make it easier for Ghent University to develop joint research projects with Korean universities. As Korean universities undertake outstanding research, Ghent University is eager to co-operate with them. Finally, the fact that the Incheon Free Economic Zone Authority has decided to build a bio-technology cluster in Songdo creates great opportunities for the staff and students at the Ghent University branch campus – a campus which will be geared toward the life sciences and bio-engineering. Ghent University recognises the immense opportunity offered by the Incheon Free Economic Zone Authority and other Korean institutions like the Ministry of Trade, Industry and Energy and the Ministry of Education, Science and Technology to be part of the Songdo bio-complex.

I hope to welcome you in the near future at the Korean branch campus of Ghent University.

Prof Dr Paul Van Cauwenberge
Ghent University Rector

CITY OF GHENT

A Message from the Mayor of Ghent: Mr Daniël Termont



Ghent University is nearly 200 years old. It was founded in 1817, even before Belgium existed. Making Ghent the country's largest student city, Ghent University is a splendid educational institution and a major asset of our city. Indeed, the focus is shifting from industry towards knowledge economy in our region, and as a top-notch education provider, Ghent University is integral to the development of the regional and national knowledge economy. Ghent currently enjoys an excellent reputation as a city of knowledge, which we mainly owe to the excellence of the Ghent University as well as to our port and the creative people in the city.

As an open-minded port city, Ghent has always been keeping its eyes open to the world and has been active in the international sphere. We have seven twin cities and have established a city-to-city partnership with Mangaung, South Africa. We are also particularly active in a wide range of European city networks. Speaking for myself, I am a member of the executive committee of EUROCITIES, a network of major European cities with the aim to advise Europe on various municipal issues.

Our University is a renowned academic and research institution. As a matter of fact, Ghent University is the only Belgian university, which currently ranks within the top 100 of the 'Shanghai Academic Ranking of World Universities'. I am particularly pleased that our university is now participating in an extremely significant urban development project in South Korea. I expect some substantial results in regard to knowledge and cultural exchange, joint research projects and co-operation between the two regions.

I sincerely congratulate the administrators of our University and wish my best luck to everyone who is involved in the Songdo project!

Daniël Termont
Mayor of the City of Ghent

City of Ghent



Ghent is a compact, authentic city that has nicknames such as Historic Heart of Flanders, Mediaeval Manhattan and Europe's Best-kept Secret. In 2008, National Geographic Traveller Magazine ranked Ghent third in its list of 109 most authentic destinations. In the 2011 edition of the Lonely Planet's 'Best in Travel' guide, Ghent took 7th place on the list of must-see cities.

Ghent was founded in the 7th Century, on the confluence of Lys and Scheldt rivers, and was called 'Ganda'. During the Middle Ages, Ghent was a leading town. In the 19th century, under the Dutch rule, the economy flourished again and Ghent developed into a modern Metropolis.

Nowhere else can you find so much history per square metre as in the beautifully renovated and fully pedestrianized historic city as Ghent. Three grand mediaeval towers form the city's unique skyline. The Castle of the Counts' impressive walls and merlons let your imagination run wild. The adoration of the Mystic Lamb by the Van Eyck brothers is only one of the many

art treasures in the St Bavo's Cathedral. The three béguinages are tranquil oases of peace, classified as world heritage sites by UNESCO.

Water plays an important role in Ghent as the city was developed at the confluence of Lys and Scheldt rivers. Water invariably creates a sparkling atmosphere, which attracts new visitors to the city who will find prime anchorage in the perfectly situated Portus Ganda marina. During the mediaeval times, the ports at the Graslei and Korenlei helped the economy thrive. Nowadays, the port of Ghent is one of Belgium's largest ports.

Ghent is a dazzling city of culture with music, theatre, film and visual arts. Numerous festivals in Ghent such as the Ghent Festivities, Ghent Jazz Festival, and the Ghent Film Festival attract people from all over the world. There is a flourishing classical music scene where different organisers, institutions, performers and composers contribute and interact. The city also boasts an exceptionally rich and talented pop and rock culture with more than 600 bands. One of Ghent's strengths is its

music education: the conservatory and its various advanced and postgraduate studies (Orpheus Institute, Flanders Opera Studio and IPEM) as well as a range of informal courses. No wonder UNESCO designated Ghent as Creative City of Music in 2009.

With over 60,000 students, Ghent is also the largest university town in Belgium. The Ghent University has an international reputation and is a preferred university for prominent scientists.

Ghent lies at the heart of East Flanders. The five adjoining areas – Lys region, Meetjesland, Waasland, Scheldeland and the Flemish Ardennes – each has its own specific characteristics as well as numerous museums, monuments, churches, gardens and béguinages among many attractions.

Special thanks to Dr Thomas Buerman at Ghent University, Ms Virginie Verstraete, International Co-operation Division at the City of Ghent, and Mr Mattias Van Hecke at Embassy of Belgium in Korea for their support for writing this article.

Executive Training Programme in Korea

EUROPE-KOREA
EDUCATIONAL PARTNERSHIP

The European Union's Executive Training Programme in Korea (ETP-K), an EU-sponsored language and cultural immersion programme, has set a new milestone as 14 participants – the highest number in seven cycles – enrolled in the training modules whilst the EU-Korea FTA has been upgrading the bilateral economic relations to a new level.

As reflected in signing of the FTA, South Korea's step-up both in terms of economic weight and visibility has been remarkable in the past several years. Having long been on the periphery of the global economy, Korea finally seems to be realising its long-awaited ambition to become a respectable player on the global economic stage. Thanks to its assertive liberalisation policy, Korea has become the first Asian country to make a free trade agreement with the EU as well as the only Asian country that has FTAs with both the EU and the United States.

Indeed, the economic relations between the EU and Korea have seen a substantial improvement. The EU is already Korea's fourth largest export destination whereas Korea is the 10th largest trading partner of the EU. With the EU companies being the largest investors in Korea whose market is rapidly liberalising, more opportunities for European businesses are clearly emerging. Technological development, social vibrancy and globalisation have re-shaped the country in a way that has transformed Korea into a more open and international place. Behind Korea's globalisation and Westernisation, however,

remain firm its traditions that may look attractive and impenetrable at the same time. In this context, human resources that understand the way Koreans do business as well as the factors that perpetrate rapid societal changes will be increasingly important.

With increasing demand for expertise in the Korean market, the ETP Korea was launched to churn out European entrepreneurs well versed in Korea and its business practices since 2002. The ETP is a professional development programme providing European companies and their executives with an on the ground experience and insider knowledge of the Korean business and cultural environment necessary for success in doing business in Korea.

ETP participants start with a three-week introductory course at the School of Oriental and African Studies (SOAS) in University of London for basic information on Korea. Once arrived in Seoul, participants will take part in a 30-week intensive business and language training module at Yonsei University, one of the top universities in Korea renowned for its international programme and Korean language courses. During this period from January to July, participants will develop Korean language skills, develop their own business proposals to penetrate the Korean market, as well as prepare for their internships at Korean companies. The programme culminates in a 12-week internship at a Korean company where participants acquire first-hand knowledge and ex-

perience of daily business culture and practice.

As proved in the ETP Japan's experience, such investment pays off. The average turnover of participating companies has doubled over the 27 cycles of the programme in Japan. Participants and instructors alike do not hesitate to endorse the value of the ETP. "I would never have been able to learn Korean language without this opportunity," said Mr Zsolt Varady, the class representative of the ETP-K this year.

To meet the diverse needs and interests of participants, Yonsei instructors also encourage them to engage with local business networks and join various social gatherings. All their contacts, experiences, and even mistakes will serve for their business plans and operations in the long run.

European Chamber of Commerce in Korea (ECCK) is a strong believer in the programme, as it is convinced that success in the Korean market depends greatly on the dedicated work to improve the knowledge base. The ECCK strongly supports the programme through promotional activities such as advertisement emails and on-site promotion, aiding lectures or events organised by Yonsei University.

*For more information on ETP
Please visit its official website at
www.euetp.eu or contact
etpk@sangnam.yonsei.ac.kr*

2013 ETP Korea Day



On 29 March, ETP Korea Day was celebrated with the participants and 45 guests from European businesses and embassies. This meeting was organised by the Delegation of the European Union to the Republic of Korea, Yonsei University, Deloitte and the ECCK.

"ETP provides a nice gateway to be successful in Korea," Mr Xavier Coget, Head of the Trade Section at the EU Delegation, and Dr Sungkyu Sohn, Director of Sangnam Institute of Management at Yonsei University, emphasised the benefits of the programme.

With regard to the structure of the programme, Professor Yong Suhk Pak, Academic Director of ETP-Korea at

Yonsei University, thoroughly explained the 45-week intensive training curriculum, the application procedure and the programme eligibility.

Following the presentation, Mr Wolfgang Slawinski, the former Secretary General of the ECCK, elaborated the ways in which the ETP-Korea can help European corporations and businessmen expand their business prospects in the Korean market. He underlined that having knowledge and experience with Korean business culture is invaluable, especially when working with Korean small-and-medium-sized enterprises (SMEs) that tend to operate in a more traditional way than other global Korean firms. Such ex-

perience in early stage of one's career will be an advantage in grasping new opportunities for co-operation.

As a former ETP participant, Mr Karim Khouider underscored the value of participating in ETP-Korea relating to the importance of having background knowledge about Korea. Based on his own experience, he claimed, "What is really hard to learn is the insights about [Korean] culture and people. You really have to show them you know a lot about Korea." Mr Khouider is the co-founder and CEO of Direct Optic who has been introduced in both French and Korean media as one of the most successful foreign entrepreneurs in Korea.

Interviews

To get a more inside view of the programme, the ECCK editorial staffs conducted an interview with Professor Yong-Suhk Pak, Academic Director of ETP-Korea at Yonsei University, and three current participants to recap their experiences, reflect on their motivations and successes as well as share their future plans.

Interview with Professor Yong Suhk Pak



What do you think is the value of the ETP?

The merit of this programme is that the participants have the opportunity to gain expertise on not only the Korean language and culture but also business. Participants have less of a financial burden as the programme is fully sponsored by the European

Mr Zsolt Varady is a Business Development Manager of the Corporate Sales and Marketing Department at the Evopro Group. Established in 2001, Evopro Group is an engineering company based in Hungary with about 300 electrical, mechanical, and informatics engineers and projects in over 30 countries on 5 continents. Mr Varady is from Budapest, Hungary.

Mr Siegfried Piller has been working with Andritz Hydro GmbH since 1995 in various business disciplines such as Design Engineering, Sales Engineering and since 2005 Project Management. Andritz Hydro is a global supplier of electro-mechanical systems and services for hydropower plants and one of the leaders in the world market for hydraulic power generation. Mr Piller is from Austria.

Mr Aurélien Lainé is a French born filmmaker who aims to become a producer of feature films and docu-

mentaries as well as a screenwriter with TV Pilots and feature scripts. He came to Korea in 2009 and works at a French eyeglasses company while continuing his career independently.

How has your experience participating in the ETP and studying in Korea been so far? Have they both lived up to your expectations?

Zsolt: The first six weeks of intensive language training was far more difficult than I had anticipated, but I really appreciate both the language and business training courses as I understand that it is not easy to establish a partnership with Korean companies.

Siegfried: Yes, it certainly does meet my expectations. I am very happy that I got the chance to participate in such a top programme. And the most important thing for me is that I can learn more about the culture and language during the time I stay in Korea. For me, personally, internship will be the most in-

Commission over the entire training period. Furthermore, Yonsei University has a brand value as one of the best universities in Korea. We can aptly support them in adjusting to the new business climate and open up doors to new business opportunities in Korea. In addition, the ETP provides a platform in which students from diverse professional and cultural backgrounds can freely share knowledge and experience from their previous working environments.

What are the major challenges for the programme?

For the participants, the major challenge would definitely be the language. For us, educating students of different backgrounds (i.e. age, nationality, industry, etc.) itself is a major challenge.

The ETP requires a hands-on approach for each participant because the participants differ in their language-learning skills as well as expectations about Korea. Helping them to be familiarised with the Korean business culture, which is more hierarchical than that in Europe, is another challenge. To this end, we try to offer them as many opportunities as possible to engage with local businesspeople and encourage them to participate in various social gatherings.

Do you have any suggestions for the ECCK?

We would like the ECCK to join the ETP workshops and activities with the participants. The students would really enjoy having more people to socialise and connect with here in Korea.



Mr Zsolt Varady

teresting and invaluable opportunity to experience Korea.

Aurélien: It is indeed a good programme. I especially value the opportunity to learn Korean intensively. If I have to give a critical perspective, I would point out that we may not be able to go deep into learning both the language and business culture because we are currently dividing our time between the two. Still, it is a valuable and rewarding programme.

What led you to apply for and participate in the ETP?

Zsolt: In my case, the company I worked for in Hungary was interested in expanding our business with Korea. We already had businesses here and my company wanted to train one employee to be a Korea specialist.

Siegfried: I'm in the hydropower business field and my company has been in Korea since 1989. Our company has strong interest in establishing a close relationship with Korean counterparts because it has not been very easy to maintain such partnerships.

Aurélien: My previous employer had experience with the ETP, so he knew the benefits and recommended me to participate in the programme.

Based on your studies and work experience so far, where do you think Korea's competitive edge lies in the global market? From the perspective of your company,

what is the prospect of conducting business in Korea?

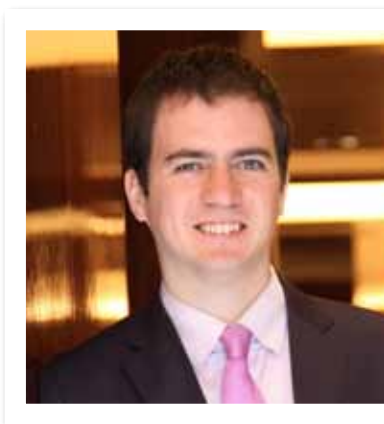
Zsolt: My company, which provides engineering solutions for the technological challenges, is looking for a long-term partnership. We would like to cover the entire Asian region, including Korea, Japan and China. As a first step, we are seeking partnership with Korean companies to co-operate with and work together. We are also an export-oriented company as most of the Korean companies.

Siegfried: Today, Korean companies are expanding their business overseas. European companies are also interested in forming partnerships with Korean companies and working together on their overseas projects.

Aurélien: My company sells eyeglasses and imports luxury brands. Korea has an interesting consumer market. Korean consumers are willing to spend money to get the best products, luxury or the unusual. Because of the dynamic Korean consumer market, you have to renew your products all the time. All these competitive aspects are very interesting. It brings a challenge to us and makes us more ingenious in what we propose or offer.

What is your plan after the completion of the ETP?

Zsolt: After the programme, I will go back to Hungary and manage business projects in Asia. But, if there is a chance to set up a branch office here, I would be



Mr Aurélien Lainé

happy to come back to Korea.

Siegfried: My plan is to go back to Austria and do Korea-related business.

Aurélien: I will stay here in Korea at the branch office. Since language is very important, I will try to concentrate more on learning the Korean language.

Do you have any suggestions for the ECCK to better support ETP participants this year as well as for the next cycle?

Zsolt: It would be nice if the ECCK could organise an event that focuses on one field, such as industrial automation. Organising activities, events and comprehensive conferences with Korean companies would be very helpful as well.

Siegfried: I would appreciate it if we had more time to visit Korean companies during regular working hours instead of weekends or evenings. That would be helpful because my main goal is to get to know Korean companies and executive MBA students working at Korean companies.

Aurélien: I would like the ECCK to communicate with Korean companies regarding the ETP and our concerns. Cultural differences and language barriers are still formidable, so it is hard for us to find useful information about Korean companies. As we are required to do internships at Korean companies, it would be helpful if the ECCK could support us with the internship programme at Korean companies.



Mr Siegfried Piller

SHADA ISLAM

Asia & Europe Focus on Education Partnership

Asian and European ministers for education meet in Kuala Lumpur, Malaysia, on 13–14 May to study ways to strengthen and develop an education partnership for the 21st Century.

The meeting is part of the multifaceted and informal process of Asia-Europe Meetings (ASEM) – a forum for dialogue and co-operation between European and Asian countries – which was launched in Bangkok in 1996.

Organised by the Ministry of Higher Education of Malaysia (MOHE) and the ASEM Education Secretariat set up in the German Academic Exchange Service (DAAD), the meeting will discuss critical issues including quality and recognition in education as well as bringing business and industry views into planning and lifelong learning, including in technical and vocational disciplines. The aim is to enhance co-operation and encourage exchanges on key education issues between Asia and Europe.

The European Commission supports a range of international education and training activities and has established policy dialogues with several countries, including many in Asia.

Education has been a top ASEM priority for many years. ASEM leaders, meeting in Helsinki in 2006, underlined the importance of education as an investment in human resources.

Two years later, ASEM Education Ministers met for the first time in Berlin, Germany, to emphasise the pivotal role of education and training in ensuring economic and social development in both regions.

The Second ASEM Education Ministers' meeting was held in Hanoi in 2009, and discussed the "Sharing Experiences and Best Practices on Higher Education".

At their third meeting, in Denmark in 2011, ministers underlined the need for an intensive and sustainable Asia-Europe education partnership on the basis of mutual respect and benefit.

In Kuala Lumpur later this month, the focus will be on "Strategizing ASEM Education Collaboration".

Discussions will look at ways of improving Asia-Europe mobility in education by improving information on opportunities in Asia and Europe, encouraging ASEM members to increase the number of joint degree and short-term study programmes and promoting student, researcher and staff exchanges by using existing mobility schemes.

The importance of lifelong learning will be emphasised, with participants looking at ways of disseminating good practices and sharing research findings between ASEM countries.

ASEM partners have already agreed that high-quality research, education and training systems that encourage and foster lifelong learning are crucial for growth and development of both Asia and Europe and also for democracy and social cohesion in both regions. Now they will be looking at how to take the ideas forward in practice.

The Asia-Europe Foundation, established under ASEM to promote cultural exchanges between the two regions, has

set up an ASEM Education Hub, and the ASEM Education and Research Hub for Lifelong Learning to strengthen co-operation and mobility between Asia and Europe and to improve transparency and understanding of the different education systems.

In Copenhagen two years ago, ASEM partners also agreed that their future co-operation should build on existing structures and international conventions (e.g. UNESCO), in the field of recognition, quality assurance and mobility of both students and researchers.

In addition to the meeting of education ministers, ASEM Rectors' Conferences and ASEM University-Business forums are also held regularly.

ASEM (Asia-Europe Meeting) has 51 partners, including Australia, Austria, Bangladesh, Belgium, Brunei Darussalam, Bulgaria, Cambodia, China, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, India, Indonesia, Ireland, Italy, Japan, Republic of Korea, Laos, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mongolia, Myanmar, the Netherlands, New Zealand, Norway, Pakistan, the Philippines, Poland, Portugal, Russia, Romania, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, Thailand, United Kingdom, Vietnam, the ASEAN Secretariat and the European Commission.

Shada Islam is a journalist in Brussels with an extensive experience in EU-Asia relations. The following article looks at different aspects of the multi-faceted Asia-Europe relationship. This article represents the views of the author and does not commit the European Commission or the European Chamber of Commerce in Korea in any way.

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Korea-EU FTA:

The First Step Towards Deeper Economic Integration

CAE-ONE KIM



Cae-one Kim is a distinguished Professor Emeritus of Economics at Seoul National University. He served as president of numerous academic associations, including International Economic Studies, Korea Economic Association and EU Studies Association of the Asia-Pacific.

He was also the founding president of Korea-EU Studies Association of Korea (EUSA-Korea) and Korea Information Strategy Development Institute (KISDI), Korea Monetary Board Member as well as the Commissioner of Financial Supervisory Commission of Korea. He is currently the Chairman of World Economy Research Institute (WERI). For his contributions to the enhancement of Korean-European academic relations, he was awarded the French Government Decoration Légion d'Honneur in 1990.

It was since the late 1990s that the Korean government has turned its attention to the FTA policy. The timing coincides with the shift in Korea's development paradigm from input-driven to a more "innovation-driven", "creative economic development model". While the new paradigm is consistent with more liberal and open international trading order, the existing WTO system seemed to fall short of making adequate progress in providing such circumstances with its multilateral liberalisation approach. That is why Korea has combined regionalism with multilateralism as principles of its trade strategy, following in the footsteps of other countries including the EU and the US. In effect, FTAs may be of a WTO-plus nature, complementing the existing multilateral system.

At any rate, the Korean government has set its goals high, ambitiously pushing for FTAs with as many countries as possible, especially with its major trading partners such as the EU and the US. Among many of its practi-

cal benefits, FTAs allow realisation of appropriate liberalisations in a more consensual and mutually-beneficial manner, while imposing least constraints on economic sovereignty. I trust that the first and foremost value-added of the Korea-EU FTA lies in the fact that it provides a "sustainable institutional framework" for open discussion and dialogue for the sake of improving common benefits of the signed parties. To make the best of it may require both parties to be "like-minded nations" in pursuit of shared goals.

Some Comments on EU's FTA Policy

Turning our attention to the EU's FTA policy, the core of its Global Europe Initiative (2006) is to make a more proactive use of FTAs. Its main objective is to re-invigorate the "Internal Market" and strengthen industrial competitiveness through trade expansion with extra-EU countries.

A comparative view on Korea's trade with the EU
in the 1st year of Korea-EU FTA (million US\$)

Trade Partners	Export			Import		
	July 2010 – June 2011	July 2011 – June 2012	Change (%)	July 2010 – June 2011	July 2011 – June 2012	Change (%)
World	518,653	556,841	7.4%	479,673	530,717	10.6%
China	125,562	133,221	6.1%	80,990	83,727	3.4%
ASEAN	62,207	75,508	21.4%	48,749	53,483	9.7%
EU	57,889	50,811	-12.2%	43,373	49,055	13.1%
USA	54,150	59,058	9.1%	42,419	45,725	7.8%
Japan	34,332	40,139	16.9%	67,608	66,808	-1.2%
India	12,464	12,519	0.4%	6,838	7,322	7.1%
MERCOSUR	11,664	12,781	9.6%	6,921	7,989	15.4%

Source: The Korean International Trade Association (KITA).

The newly-pursued FTAs under the Global Europe Initiative fundamentally differ from the EU's old FTAs, which were basically preferential arrangements with the countries that have had historically special relations. The new FTAs are more consistent with the WTO rules.

The new EU FTA policy has two outstanding features: First, it sets emerging economies especially in East Asia as its major trading partners; and second, it emphasises the elimination of non-tariff barriers (NTBs) as well as tariffs. And the Korea-EU FTA constituted the very first case since the EU's "New Trade Policy". It is the first WTO-consistent FTA with an industrialised economy outside the Europe. As the Commissioner for Trade Karel De Gucht has put it, "it is the most advanced and ambitious FTA....in terms of content and in terms of economic value".

It seems that the successes of the Korea-EU FTA boost the EU's confidence in its trade strategy in East

Asia. Following the Korea-EU FTA, the EU has concluded a general deal with the ASEAN and carried forward FTA negotiations with Singapore, Malaysia, Vietnam, and Japan. Given the trend towards increasing regional economic integration in East Asia, we can imagine that the EU's FTA strategy toward the region may someday lead to the formation of an East Asia-EU FTA, which shall be the world's largest free trade area.

With regards to the "elimination of NTBs", the second feature of the new EU FTA policy, it aims at creating a level playing field in the market. As is well known, the WTO system revolves around the tariff removal and thus is not as effective in NTB reduction. Except for developing countries, tariff has been reduced to the level where its role for protecting domestic industries has lost its meaning.

Among various NTB issues, the EU's main concern lies in regulatory convergence. The Korea-EU FTA has duly addressed regulatory conver-

gence in motor vehicles, electronics, medical equipments, chemical products and services for the first time. As a result, there were significant increases in the Korea-EU trading of those products in comparison to those of all products in the past year since the FTA took effect in July 2011, with the exception of electronics, although a detailed analysis of various causal factors for the change in each product sector has to be followed.

I believe that to enhance the effectiveness of the Korea-EU FTA requires increased attention on the elimination of NTBs. Given that most NTBs reflect domestic economic policies and institutions, a deeper level of policy adjustment and approximation is needed between the two parties. The EU with its Common Market ("internal market") has abundant experiences of regulatory convergence, and drawing realistic and pragmatic lessons especially from "Plan -1992" would be of great help in that regard.

An Evaluation of the First Year of Korea-EU FTA

This past July marked the first anniversary of Korea-EU FTA. Korea has reduced its import tariffs more than the EU did because Korea had relatively higher most-favoured nation (MFN) tariff rates. Yet, it is too early to tell the real effect of the FTA since little evidence has been collected in terms of the NTB elimination. Perhaps more significantly, European countries have undergone a difficult period in the midst of the sovereign debt crisis, which in turn has been exerting a strong downward pressure on economic growth and international trade.

Based on aggregate-level statistics from July 2011 to June 2012 compiled in Korea, the EU's export to Korea has significantly increased, while its imports dropped. During the one-year period since the FTA took effect, Korea's export to the EU fell by 12.2%, while its import increa-

sed by 13.1%. And as a consequence, Korea's trade surplus with the EU became sharply reduced from USD 14.5 billion to USD 1.7 billion.

As far as the Foreign Direct Investment (FDI) is concerned, the EU has been one of the most important foreign investors in Korea. Of the total FDI stock in Korea from 1980 to 2012, the EU accounts for 34%. As the Korea-EU FTA contributes to expanding business opportunities for European firms in Korea, FDI is expected to increase to a greater extent. From July 2011 to June 2012, the EU's FDI to Korea amounted to USD 4.4 billion, an increase of 14.3% from the level a year before. As mentioned earlier, these changes cannot be entirely attributed to the FTA. The Korea-EU FTA should have had its own impact on the changes, but the respectively different economic situations in Korea and the EU could have had greater effects on them.

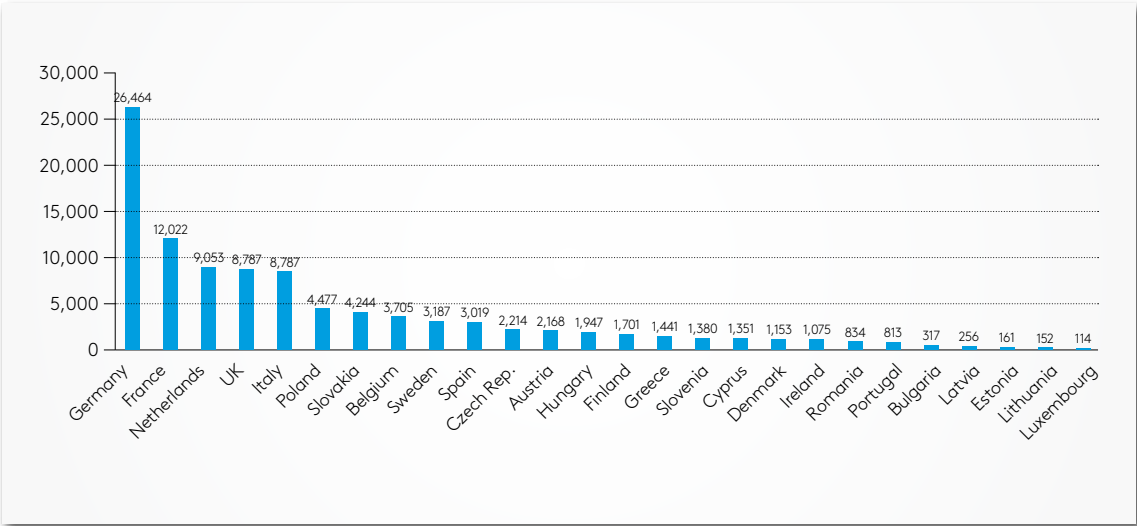
Upon reviewing the recent trend in trade relations between Korea and

the EU, my sense is that the relations still have a long way to go to reflect the full economic potential of the two regions. For instance, while the EU as a whole has the largest share of the global trade, it accounts for less than 10% of Korea's external trade. In turn, Korea accounts for a mere 2% of the EU's trade with non-EU countries. I hope to see the Korea-EU FTA providing a momentum for great expansion of the trade relations between the two parties.

Beyond WTO-plus FTA: Toward a FTA-plus

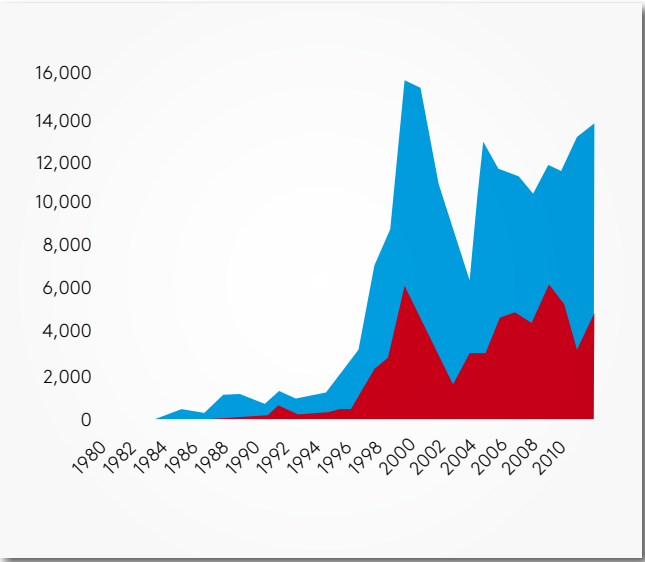
If FTAs are understood as the first stage of economic integration, as shown in the Europe's experience, we are admitting its evolutionary characteristics. A successful FTA cannot stay stagnant, but should ceaselessly move towards deeper and more integrative features. I would like to suggest the following ideas for discussion:

Korea's trade with EU member countries (2011, million US\$)



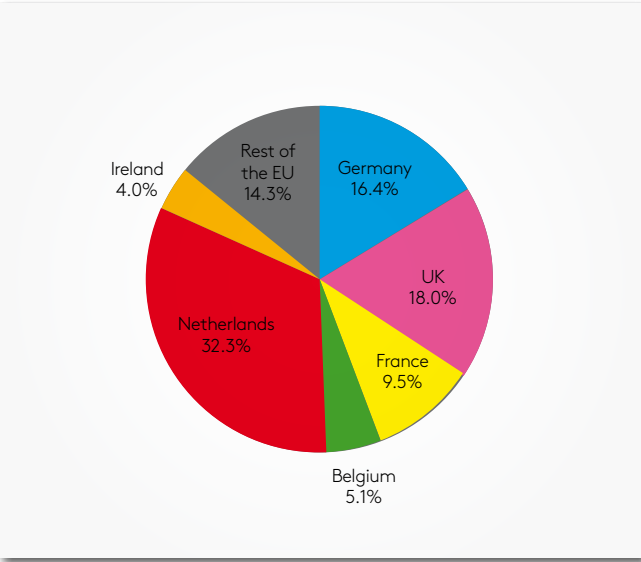
Source: KITA

Korea's inward investment from the EU (million US\$)



Source: Ministry of Trade, Industry, and Energy

Korea's inward investment from the EU member countries (1980-2011, %)



Source: Ministry of Trade, Industry, and Energy

1 Korea has a keen interest in attracting more FDIs from the EU, and the EU shows its intention to expand FDIs. Yet, the Korea-EU FTA has not adequately dealt with the FDI issue. Investments and the consequent expansion of technical co-operation – especially between the small or medium-sized companies in Korea and the EU – will greatly contribute to significant enhancement of the trade relations. The Lisbon Treaty delegates the necessary competence to the European Commission to negotiate on investment expansion with extra-EU countries, and so I look forward to seeing more active and mutually-beneficial European investment policies.

2 The Korea-EU FTA sets the first precedent in addressing the NTB issues. However, to enhance the FTA's effectiveness requires regulatory policy adjustment and approximation. Since regulatory convergence necessarily affects domestic policies and institutions, it calls for a deeper level of policy co-operation on

a wide range of issue areas. At the same time, as discussed in the FTA working group meetings, an expanded use of the “mutual recognition” system along with a relaxation of its application rules, for example, regarding technical regulation, standard and conformity assessment procedure may also contribute to increasing economic interaction between the two parties.

3 In case the EU concludes FTAs in the long run with an ump-teen number of countries including Japan, ASEAN members, India, and maybe China later on, it would get deeply involved in the production value chains in East Asia. Then the rules of origin, the Achilles heel of FTA, would get even more complicated to follow. Thus, it would be better to simplify the rules of origin and their uses in the spirit of promoting a more liberal trading regime.

4 With respect to trade policy towards developing countries, Korea and the EU have an am-

ple scope for co-operation in the Official Development Assistance (ODA) realm. The EU has a long experience in “aid for trade”, whereas Korea's ODA is still in its early stage with main policy objective focused on technical co-operation or knowledge sharing. Incidentally, Korea's Knowledge Sharing Programmes (KSP) and those especially related to “growth through trade” have in fact been in good rapport with recipient countries. In any event, I am confident that a joint coordination of ODA policies of Korea and the EU – say, in developing countries' capacity building in export infrastructure – would work greater success.

5 In a sense, the kind and level of trade relations between countries reflect that of their non-economic – including diplomatic, security and socio-cultural – relations. Therefore, I believe Korea and the EU can and should make greater efforts to “understand and get closer to each other” in as many areas as possible and desirable.

ALEX JENSEN

A European Stroll through Seoul



Read a handful of articles about Korean culture, and the word *Hallyu* is bound to crop up at least a handful of times. Referring to the 'Korean wave,' which began around the 1990s, *Hallyu* has culminated in the global popularity of Korean dramas, K-pop stars and cuisine. But raining down on that wave has been a steady sprinkling of foreign culture, including that from Europe. It would be easy to dismiss the primary western influence in Korea today as being one of a distinctly American flavour, thanks to the history of the twentieth century. Several examples provide sufficient room for thinking otherwise.

When one takes a stroll through a particularly tourist-friendly area of Seoul such as Myeongdong, one is bombarded by a taste of Korean culture. The smiling faces of *Hallyu* icons beam from posters and cardboard cut-outs, the smells of Korean

fast food fill the nostrils, and among other things the sound of K-pop emerges from an array of shopfronts. Let us stop for a moment and consider the content of this music. Pop, yes. But Korean? Yes and no. K-pop lyrics themselves are often a Korean-English-Konglish fusion. Lest we forget how and where the English language came about, there is also a more modern European sensibility to be found in K-pop, the kind of electronic dance music that western DJs and producers have long-since shaped into a money-spinning formula. It is difficult to envisage K-pop, and indeed dance music worldwide, without incorporating the dizzying success of some of those European electronica acts, from Kraftwerk, The Prodigy and Fatboy Slim to the likes of Tiësto, Daft Punk and the pioneers of the more modern Dubstep genre. Then there is the formation of the groups themselves. Ma-

nufactured bands have been around for decades. But with their unprecedented success from the mid-1990s,

Mr Alexander Jensen is a radio and television host based in Seoul. He arrived in Korea to join his Korean wife-to-be in 2010, having spent the previous six years establishing himself as a broadcast journalist in the UK.

His media credits include Sky News, the BBC, ESPN and Global Radio (including the Heart network, Classic FM, Capital FM and LBC).

Currently Alex is the host of tbs eFM's 'This Morning' and News Y's 'English Y' for Yonhap News Agency's television service.



Britain's Spice Girls formed a model which others around the world have attempted to emulate ever since. Their 'girl power' mantra has been picked up by countless girl groups to openly express sex appeal and confidence, even in a relatively conservative society such as Korea's.

Let us continue this tour of Myeongdong and check out some clothing stores. Fashion is as diffusive as music, but one can still easily detect a strong European influence in the high street style retail outlets lining Seoul's streets. Zara and H&M, for example, wave the EU banner for Spain and

Sweden respectively. Perhaps the Korean physique lends itself to European cut clothing. Anyone who's tried a large size in Prada will sympathise. Even less glamorous labels, such as the British cosmetics producer Lush, gain an added sheen and value when placed in the likes of Myeongdong's Lotte Department Store. Interestingly, though, Korea has also adopted its own European-style fashion industry with gusto. The originally German now Korean-run luxury brand MCM is a famous example of this. In fact throughout Seoul, one can easily stumble across boutique tailors

straight out of London's Savile Row. Do not be surprised either to discover the flags of European nations sewn into more youthful local designs. Then there is the wide popularity of hiking in Korea, spawning a fervent interest in utility-fashion crossover brands like Berghaus and Fjällräven.

Now, to restore some energy in between shops, how about a bite to eat? Clearly there are dozens of food options in Korea, and within the vicinity of Myeongdong one can find standard Gallic-inspired Korean chains such as Paris Baguette and Tous Les Jours. Both of these have



transformed into a café experience in the last decade, and there can be no hiding the intended appeal to Francophiles. Today in Seoul, independent bakeries and cafés which offer an authentic European experience complete with imported ingredients are commonplace. Even niche-markets like Scandinavian open sandwiches are provided through the emergence of chains such as Fika. Long-time visitors to Korea may well have complained of poor imitations of Italian food. But again, this is a developing industry and while pasta and pizza are not new to Korea, the way they are served is becoming more authentic thanks to an increasing number of Korean chefs returning from a culinary edu-

cation in Europe. They proudly frame their certificates to prove it. None of this means European cuisine is about to take over, but the diversification of food in Korea is demonstrated by data released by Statistics Korea showing that the nation's annual consumption of rice last year was half of what it was just three decades ago.

European influence is also highly-visible in beverage markets. Korean drinking culture still gravitates towards the cheap and cheer-inducing *soju*, *makgeolli* and locally brewed beer. But there are shoots of change. In December last year, local supermarket sales of wine overtook those of *soju* for the first time. While the range of wine options is truly international, one cannot

underestimate the importance attached to labels, and French vintages acquire instant prestige in Korea. Beer is naturally more affordable, but European exporters like Hoegaarden, Heineken and Carlsberg have all firmly established themselves, despite costing twice as much as local producers such as Hite, Cass and Max. Let us not either forget the attraction of whiskey, including Scotch whisky without an 'e'. Despite a habit of mixing strong spirits with beer in a group drinking setting, Koreans are also acquiring a more specific taste for the 'water of life'. Indeed, this country has become the seventh largest export market for producers of Scotch, although industry sources suggest blends make up more than 99 per cent of these

sales. A bottle of single malt averages at 180,000 won or more in a bar, but there would appear to be a market for it if that price could come down.

Coffee served Italian-style is another very good example of Koreans infusing a taste of Europe into their lives. Were you to take a walk through Myeongdong as recently as the late 1990s, you would have been hard-pushed to find a cappuccino in the way you can today. However, espresso-based coffee options have exploded in Korea in recent years, and the stronger the connection with Italy, the better for PR. Caffè Bene might sound like a name you would expect to find in Rome or Milan, but within four years of its founding in Korea in

2008, this chain already boasted 760 outlets and had begun to blossom abroad. Caffè Pascucci is another highly-visible Korean-run chain that boasts of its Italian connections. It did not open its first store in Korea until 2002. Korea's intense love affair with espresso-based coffees is a truly 21st century phenomenon, but already the market is so saturated that the government is being forced to take measures to protect smaller businesses from the threat of larger names dominating every street corner.

There is no need even to leave Myeongdong then, supposedly the shopfront of Korean culture, to be surrounded by European influence or at least a European-friendly experience,

and the same could be said to a greater or lesser extent of neighbourhoods throughout Korea. That may be threatening during a period of extended financial crisis in the eurozone, but the sprinkling of culture must continue if it is to keep contributing to the wave. This should not serve to downplay the uniqueness of Korea, either, nor the incredible *Hallyu* phenomenon and the influence of other countries and continents. Rather, it might be viewed as a celebration of being European even in such a homogeneous culture as that enjoyed by this mysterious, yet familiar, nation. Admirably, Korea has been able to absorb outside influences without losing that sense of what makes this country one of a kind.

SOHOOH GALLERY

Strolling with Art through Your House

Summer is just around the corner.
Why don't we seek refuge from the hot blistering sun
in our very homes and decorate our houses
with paintings that will cool down and
revitalize our minds?

A Study Room Song, Hyeong Noh



Run with Your Dreams

The Race Oil on canvas, 130x388cm, 2013

As Edgar Allan Poe wrote in Eleonora, "Those who dream by day are cognizant of many things which escape those who dream only by night", time and effort spent dreaming will make our lives stronger. Artist Hyeong Noh Song vividly depicts his dream with hyper-realistic images glued on together to form a full scene. This dynamic piece, "The Race", with a smooth, silky horse that seems to pop up from the screen instills powerful, positive energy to the viewers and brings dynamism and energy to its surroundings. Perhaps when placed in the study room, "The Race" would bolster your creativity and imagination.



At the End of a Corridor Kim, Eun Ok



Bring the "Bojagi", Bring the Fortune The Precious Message

Oil on wood canvas,
52x77cm, 2011

Artist Eun Ok Kim's "The Precious Message" will radiate your house with joy and luck. It contains an oriental motif of "Bojagi", the traditional Korean wrapping cloth. As its first syllable "Bo (보)" sounds similar to "Bok (복)" meaning "luck", Bojagi is commonly used in gift wrapping, weddings and Buddhist rites. Particularly, embroidered bojagi or "subo" with symbolic patterns represent wishes for happiness and pleasure and is commonly used for wrapping wedding gifts. Why not share the gift of good fortune beaming from Kim's work with the visitors of your home?

In a Kid's Room Kuk, Dae Ho

Conjuring up the most beautiful and vibrant colours: wriggling jelly beans. Artist Dae Ho Kuk depicts each colour in distinctive originality, creating harmony without clash of colours. In the world of colour psychology, each colour draws out different emotion and the dynamism

created by the interaction of different colours can stimulate children in various ways. Perhaps the colourful works of Kuk can inspire children to become enlightened leaders of tomorrow.

Conjuring up Your Colour Palette

Jelly Bean-092 45x120cm, 2012



In the Wine Bar Yoo, Yong Sang



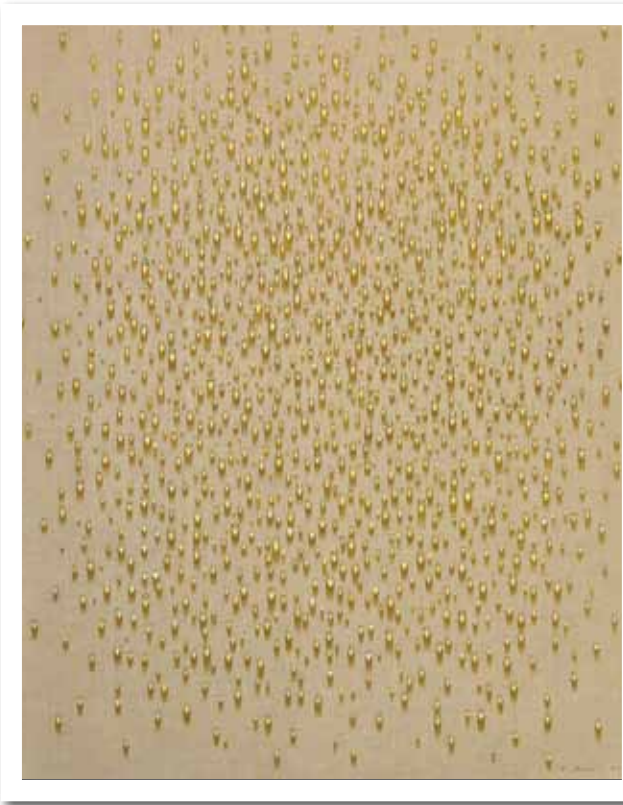
A clear fragile glass. A vertiginous stem. Seething bubbles. Reflection of your face on the surface. Smearred lip stain. Wavering eyes. A glass full of wine... ArtistYong Sang Yoo portrays the wine glass, almost deluding us to eye-drink the wine. In doing so, the painting perhaps metaphorically represent people’s innate desire for attention to be the “selected one”, as suggested in the title: “The Chosen Person”.



Filling Me with Wine
The Chosen Person

Oil on canvas,
116.7x72.7cm, 2012

In the Living Room Kim, Chang Yeol



After a long day, if we see the golden water drops shining as the sunlight seeps into our living room, it will definitely be a warm consolation just as Artist Chang Yeol Kim discovered the brilliant beauty of water drops, sprayed on the re-used canvas in his old shabby studio. In Kim’s “Water Drop”, cliff-hanging water drops are placed on a canvas with such tension and control. The drops seem empty and light, but are in fact full and heavy symbolising halted time. Moreover, they seem to encapsulate the tense border between presence and absence, solid and void, and perhaps even truth and falsity.

Life Melted
in Water Drops
Life melted
in Water Drops
Oil on canvas,
227x177cm,
1977



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ALEX FISHER

South-Korea's Green Growth and Potential for Public-Private Partnership



The world is changing. Not only in regard to the climate, but also in terms of how we produce our goods and manage future economic development. According to the World Bank, global finance for new clean energy projects is currently at USD 300-400 billion per year. The International Energy Agency estimates that a minimum agenda compatible with a two-degree temperature target requires 'green' energy investments of about USD one trillion per year.

Korea has started its own journey towards a climate friendly economic green growth pattern, beginning with the presidential decree of Korea's Green Growth Strategy in 2008. Since then, a lot of initiatives and policy approaches have been launched in Korea. The first phase of the strategy, the Green Growth Vision 2008-2012 serves as the foundation of Korea's Green Growth Initiatives. Expecting the new Korean administration to modify a few aspects of the Green Growth Strategy Korea without scraping the internationally committed promises, transition towards a climate friendly growth will continue in Korea. This includes that the new administration will stick to a number of developments and decisions made by the former government. For instance, on the national level, the parliament passed a bill for an emission trading system, and the country outlined targets for renewable and nuclear energy use to reduce the dependency on fossil fuels. Many initiatives at the local and individual level are taking place as well, such as Smart Grids, Green Housing, Greening Transport and Greening Industry Production, while at the same time, Korea is greening its Overseas Development Assistant (ODA) budget.

From 2020 onwards, Korea aims to achieve a 'Green Industry Leader' position in the world. There is still a lot to do in this regard. Korea will need sup-

port from all sorts of players to achieve its greenhouse gas (GHG) reduction targets, particularly from industries and consultancies that already have a track record in shifting towards climate friendly products and production. These are opportunities for European companies in the fields of renewables, energy, manufacturing, consulting, et cetera. With the Free Trade Agreement (FTA) between Korea and the European Union, these opportunities become greater and business becomes easier.

From a European perspective, there are many areas of potential supply from the green industry for the Korean paradigm shift in economic production. Four areas can be identified:

1. Alternative methods of energy generation

2. More efficient energy usage/ consumption

3. Reduction in GHG/ carbon emissions

4. Capturing new business opportunities

Korea will need a lot of technological support in all of the (above) fields if it aims to achieve its vision of GHG emission reduction on BAU (Business As Usual) 2005 scenario of minus 30 per cent by 2030. This may not sound ambitious from a European perspective, but for a country which was yesterday - metaphorical speaking - a developing country and has since then turned into an economic power house providing ODA to developing countries itself and joined the OECD club, this is indeed very ambitious. It is ambitious because it requires a shift in many layers of the society, and, as we know, politics usually only change when the politicians have pressure from their constituencies. As such, it is even more remarkable that the Kore-

an government decided in 2008 to start the journey to a more climate friendly economic growth without any pressure from society. In the international context, this can be seen as real political leadership. The former Korean government won a lot of laurels for this leadership from the international community.

Within the above mentioned four fields of green economic activity there are multiple opportunities for European service providers and industry:

1. Alternative Energy:

There is still a substantial amount of energy production from fossil fuels and nuclear power with the aim of increasing renewables. Korea clearly wants to enhance its renewable energy strategy. The metropolitan area of Seoul (a city of 12 million inhabitants) has already started an initiative called "One Less Nuclear Power Plant", aiming for a substantial increase in renewable energy.

2. Energy Efficiency in Usage and Consumption:

The portion of high-energy-consumption industries is significant while a strategy for an aggressive approach for a new industry mix has not yet been developed. Overall, Korea's industrial structure is highly energy-intensive compared with Japan or other OECD countries. Moreover, energy, water, electricity consumption and especially energy efficiency in buildings and transport have gaps vis-a-vis the EU and Japan.

3. Reduction in GHG/Carbon Emissions:

The national target has been defined but the sectors and companies have not yet begun executing. CO2 is still increasing by 2 per cent every year, and it is still in the early stage of implementation of the "Target Management System Korean ETS". The Cap and Trade System starts in 2015 with a lot of potential opportunities for shaping the way.

4. New Green Business Opportunities:

The Green Growth Strategy identified 27 areas and 10 top technologies for R&D investments, with the potential for joint ventures. Market leadership in battery and LED industry is within reach, while solar, wind and nuclear powers are lagging behind with big potential for co-operation.

In many of the above-mentioned markets, Europe is hosting world-class business leaders with a large potential for collaboration with Korean counterparts. As we all know, the entry in these markets will not be easy for any European business leader since the Korean market is still highly dominated by the big domestic conglomerates. However, the newly elected government acknowledges the need for opening up the quite reclusive Korean markets and re-inventing the long-established Korean business model, with a paradigm shift towards climate friendly green economic growth. There are many good business opportunities for European market leaders in the field of green growth that can provide win-win situations for both sides, while enabling the Republic of Korea to reach its emission reduction target.

Dr Alexander Fisher is the Director of Finance at the Global Green Growth Institute (GGGI) in Seoul, Korea. He was Managing Director of the German Institute for Economic Research in Berlin (DIW) and the School of Economics, Business Administration, and Social Science in Hamburg, Germany. He received his PhD in Economics at the European University Viadrina in Frankfurt (Oder) and has multiple publications in the field of macroeconomics.

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Bo Sun Kim, European Chamber of Commerce (ECCK)

Editorial Staff

In-Seung Kay, HyeMin Lee,
Christine Joo

Outside Contributors

Alexander Fisher, Director,
Global Green Growth Institute
Alexander Jensen, Journalist,
TBS eFm & News Y
Cae-One Kim, Professor Emeritus of
Seoul National University
Soohoh Gallery

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All correspondence should be addressed to European Chamber of Commerce in Korea at:
307 Vabien 3 Building, 86 Tongil-ro,
Jung-gu, Seoul 100-130, Korea
Telephone: +82-2-6261-2700
Fax: +82-2-6261-2730
E-mail: co-operation@ecck.eu
www.ecck.eu

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