

**ECCK Connect** Spring 2016

**The Quarterly  
Magazine of the  
European Chamber of  
Commerce in Korea**

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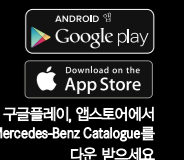
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 GLA 200 d 4MATIC (배기량: 2,143cc, 공차중량: 1,640kg, 자동 7단), 복합연비: 14.8km/ℓ (도심연비: 13.3km/ℓ, 고속도로연비: 17.0km/ℓ), 등급: 2등급, 복합CO<sub>2</sub> 배출량: 133g/km  
 Mercedes-AMG GLA 45 4MATIC (배기량: 1,991cc, 공차중량: 1,640kg, 자동 7단), 복합연비: 9.1km/ℓ (도심연비: 8.3km/ℓ, 고속도로연비: 10.4km/ℓ), 등급: 5등급, 복합CO<sub>2</sub> 배출량: 192g/km  
 GLC 220 d 4MATIC (배기량: 2,143cc, 공차중량: 1,985kg, 자동 9단), 복합연비: 12.9km/ℓ (도심연비: 11.6km/ℓ, 고속도로연비: 15.1km/ℓ), 등급: 3등급, 복합CO<sub>2</sub> 배출량: 148g/km  
 GLC 350 d 4MATIC (배기량: 2,987cc, 공차중량: 2,350kg, 자동 9단), 복합연비: 9.7km/ℓ (도심연비: 9.0km/ℓ, 고속도로연비: 10.8km/ℓ), 등급: 4등급, 복합CO<sub>2</sub> 배출량: 200g/km  
 Mercedes-AMG GLE 63 4MATIC (배기량: 5,461cc, 공차중량: 2,520kg, 자동 7단), 복합연비: 5.8km/ℓ (도심연비: 5.2km/ℓ, 고속도로연비: 6.8km/ℓ), 등급: 5등급, 복합CO<sub>2</sub> 배출량: 278g/km  
 G 350 BlueTEC (배기량: 2,987cc, 공차중량: 2,550kg, 자동 7단), 복합연비: 7.4km/ℓ (도심연비: 6.9km/ℓ, 고속도로연비: 8.1km/ℓ), 등급: 5등급, 복합CO<sub>2</sub> 배출량: 280g/km  
 Mercedes-AMG G 63 (배기량: 5,461cc, 공차중량: 2,635kg, 자동 7단), 복합연비: 5.2km/ℓ (도심연비: 4.8km/ℓ, 고속도로연비: 5.8km/ℓ), 등급: 5등급, 복합CO<sub>2</sub> 배출량: 342g/km  
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Dear Readers,

The New Year celebration feels like yesterday, but the year is well under way. Already, it's time to embrace the cherry blossom season, and I see more and more people enjoying the outdoors to bask in the sun.

As for ECCK, the first few months have been quite rewarding with a number of major events and activities. We officially welcomed the year 2016 with our annual New Year Party at Grand Hyatt Seoul. In February, the Annual General Meeting was held where our members were briefed about the general activities of 2015 as well as the outlook for 2016.

Moreover, the Chamber released the first publication of the *Business Confidence Survey*, conducted jointly with other European chambers and Roland Berger. In the meantime, the ECCK hosted important meetings, including the luncheon with MOTIE Minister Joo Hyunghwan, the logistics seminar, and the CFO forum.

This year, we also reached a couple of major milestones. Firstly, the Chamber has been nominated as a member of the EU Domestic Advisory Group for the Civil Society Forum mandated by the Korea-EU Free Trade Agreement. Furthermore, Secretary-General Christoph Heider was invited as a panel speaker for Economic Diplomacy and Foreign Policy Seminar hosted by the European Commission in Brussels.

More highlight events are being arranged as we speak. In May, the ECCK will be hosting the first Korea-EU FTA Symposium and continuing the tradition with All European Network Night in Seoul and Taste of Europe in Busan.

Last but not least, I have to mention that we have been shocked at the cruel terrorist attacks in Brussels. We all would like to extend our condolences and support to those who are facing these brutal challenges with dignity.

I hope you find this spring edition interesting and insightful.

Kind regards,

**Jean-Christophe Darbes**

President, European Chamber of Commerce in Korea

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# myBOX

It can be a difficult transition moving to another country. David Choe, CEO of myBOX, experienced this firsthand five years ago when moving to Korea led to clutter, waste, and an overall lack of space for his belongings. This is where the idea for myBOX was formed.



myBOX provides customizable, convenient and efficient on-demand storage solutions for both consumers and businesses. myBOX takes out the hassle of traditional storage units by offering pickup, delivery and convenient online inventory management. By aggregating the storage needs, myBOX provides a shared storage solution that maximizes efficiency and passes these savings onto their customers.

With service in both Korean and English, and an easy-to-use interface, myBOX virtually expands your space. There is no need to buy your own boxes, have a car, or pay high minimum fees.

Through the myBOX website or mobile application, customers can easily request boxes for their storage needs. myBOX delivers the empty boxes, which the customers fill with items they would like to store. The customer can also label each individual box, list its contents, and attach a picture in the app. myBOX picks up the locked boxes at a time that is convenient for the customer and stores the boxes at their safe, temperature and humidity controlled facilities. When the customer needs these boxes back, they can schedule a return delivery time.

myBOX also provides additional options such as dry-cleaning before or after storage, as well as donation services. Customers can request a charity bag that they can fill with items they wish to donate, and myBOX will deliver

these items to their partner charity, Goodwill.

myBOX customers can store a variety of items such as seasonal clothing, holiday items, sporting and camping equipment, blankets, baby items, and books. They also provide a solution for storing items when you are away traveling, or are between apartments and need a place to store your belongings.

For businesses, using myBOX as an inventory management solution gives you the flexibility to maximize revenue within your given area. myBOX understands that storing your excess inventory on site is expensive and unsightly. Instead of using that expensive space for storage, you can increase the number of tables in your restaurant or the number of desks in your office. myBOX will allow you to have as little or as much storage space as you need, at any given time.

myBOX launches in March in Seoul, and is currently seeking investment support to expand to other markets.



Contact Information  
[www.my-box.kr](http://www.my-box.kr)  
[support@my-box.kr](mailto:support@my-box.kr)

## New Members January – March 2016

**Advanced Insulation Korea Ltd** (United Kingdom)  
Andrew Court, General Manager  
[www.aisplc.com](http://www.aisplc.com)

**AIG Korean Real Estate Development** (USA)  
Miyoung Park, Manager  
[www.ifcseoul.com](http://www.ifcseoul.com)

**British American Tobacco Korea** (United Kingdom)  
Erik Stoel, CEO  
[www.bat.com](http://www.bat.com)

**Colliers International Korea Limited** (USA)  
Jay Yun, Executive Director  
[www.colliers.com](http://www.colliers.com)

**Compass Offices** (Hong Kong)  
Cecile Lamige, Regional Marketing Manager  
[www.compassoffices.com](http://www.compassoffices.com)

**Concern World** (Ireland)  
Junmo Lee, Country Manager  
[www.concern.or.kr](http://www.concern.or.kr)

**Continental Tire Korea Co., Ltd** (Korea)  
SeungHo Shin, Customer Service Manager  
[www.continental-tires.co.kr](http://www.continental-tires.co.kr)

**Cormarine** (Korea)  
Amanda Kim, Marketing Director  
[www.cormarine.com](http://www.cormarine.com)

**Deloitte Anjin LLC** (Korea)  
Kyung Won Byun, Supervisor  
[www.deloitteanjin.co.kr](http://www.deloitteanjin.co.kr)

**Enso Group** (Switzerland)  
Alex Mazzucchelli, Strategy Manager  
[www.ensogroup.ch/](http://www.ensogroup.ch/)

**Facebook Korea** (USA)  
Steve Park, Head of Policy  
<http://www.facebook.com>

**Kelly Services** (USA)  
Yewon Jang, Marketing  
[www.kellyservices.co.kr](http://www.kellyservices.co.kr)

**Korn Ferry** (USA)  
Joon Ko, Principal  
[www.kornferry.com](http://www.kornferry.com)

**Leo Pharma** (Denmark)  
Kasper Kuenzel, General Manager  
[www.leo-pharma.com](http://www.leo-pharma.com)

**P&E Consulting, Inc.** (Korea)  
Sunnie Hong, CEO  
[www.pneconsulting.co.kr](http://www.pneconsulting.co.kr)

**Ralf Consulting** (Korea)  
Marc de Supervielle, Managing Director

**SENER Korea Engineering Systems Co., Ltd** (Korea)  
Priscila Kim, Administrator  
[www.sener.es](http://www.sener.es)

**Unilever Korea** (the Netherland)  
Myungsun Kang, HR Leader  
[www.unilever.co.kr](http://www.unilever.co.kr)



# General Events

## ECCK Annual General Meeting 2016

On February 22, the ECCK members gathered together for the Annual General Meeting 2016 at Conrad Seoul. The evening commenced with opening remarks by Jean-Christophe Darbes, President of ECCK, applauding Chamber achievements thus far, as well as touching upon recent issues.

Christoph Heider, Secretary-General of ECCK, subsequently started with his presentation on the financial and general activities of 2015. Overall, last year was another 12 months of growth and productivity for the ECCK. The first White Paper was published, covering 10 industry sectors. This has been established as an annual strategic publication tool to deliver member companies' thoughts and concerns to relevant government ministries. Furthermore, to better address our members' needs in diverse industries, two more committees and a forum have been created, namely the Kitchen & Home Appliances Committee, the Innovation & Future Technologies Committee, and the Compliance Forum.

Moreover, governmental relations have been further strengthened throughout last year. As advocacy is and will continue to be one of Chamber's major activities, committee directors will remain in direct contact with key individuals of government ministries to deliver opinions, co-host meetings, and receive feedback.

The ECCK has updated our online presence for enhanced usability and design. The new website and notice emails better aid external communication and interaction. Furthermore, the Chamber has been proactively planning the key events of 2016, including All European Network Night, Global Alternative Investment Insights (GAI), and Intellectual Property Rights (IPR) Conference. This year's events will continue to serve as platforms of information exchange and networking for our members and friends.



This year, the Business Confidence Survey was a joint effort among European chambers and was published for the first time. A total of 139 companies responded this time around, and the ECCK hopes to see the impact grow with each year. Also, we would like to extend a special thank you to Roland Berger and our media partners.

Lastly, to highlight a special achievement for the Chamber, the ECCK has been honoured as an official member of the Civil Society Forum, a Korea-EU FTA mandated advisory group. As the Chamber has been a guest for the previous two years, this official membership is a milestone.

At the end of the evening, the closing remarks were given by President Darbes thanking all the members for their time and participation. A networking dinner followed, allowing time for the attendees to mingle and converse amongst each other.





### Luncheon with MOTIE Minister Joo Hyunghwan

On February 18, Ministry of Trade, Industry & Energy (MOTIE) Minister Joo Hyunghwan hosted a roundtable meeting with the CEOs of foreign-invested companies. The ECCK participated in this luncheon and openly discussed and exchanged views on how to attract more foreign investment to Korea.

Minister Joo emphasized the importance of foreign investment and promised to ease certain policies and regulations that may have discouraged foreign businesses operating in Korea. Furthermore, information regarding North Korea issues will be promptly provided to foreign businesses to ease rising concerns.

One of the opinions raised from the participants' side was the increase of state grants for foreign companies. In response, Minister Joo expressed his dedication to increase incentives such as grants to nurture growth in areas of new businesses.

A roundtable meeting will be held every six months to facilitate communication and transparency among the government and the foreign business leaders.



### Economic Diplomacy Seminar in Brussels

On February 25, Christoph Heider, ECCK Secretary-General and Board Member of the European Business Organization Worldwide Network, spoke at a high-level political seminar in Brussels. The seminar focusing on the topic of "Economic Diplomacy and Foreign Policy – Friends of Foes" was hosted and organized by the European Commission.

Jyrki Katainen, Vice President of the European Commission and former Finnish Prime Minister, opened the event. In his opening keynote address, he explicitly stressed the significance of the European Chambers as valuable partners to effectively represent the voices of European businesses operating in overseas markets. Werner Hoyer, President of the European Investment Bank, delivered a second opening keynote before moderated sessions began.

During the first session, Christoph Heider, Luisa Santos, Director of International Relations at Business Europe, and Charlotte Sammelin, Deputy Head of the Department for International Trade, Ministry of Foreign Affairs, exchanged views and opinions on "European Prosperity and Economic Diplomacy".

The invitation to this high-level event demonstrated the overall importance and worldwide recognition of European Chambers. In particular, it positively indicated the Chamber's growth and reputation since its establishment in 2012.



### Business Confidence Survey 2015

On March 8, representatives of 11 European chambers and business councils, Roland Berger Ltd, and media partners participated in the Business Confidence Survey 2015 Media Event hosted at 9 am at Seoul Square.

For the second year, the survey has been conducted to gauge European companies' perceptions towards the business environment of Korea. This was the first year for 11 European chambers and business councils to collectively organize the survey.

Christoph Heider, Secretary-General of European Chamber of Commerce in Korea (ECCK) led the opening of the event, touching upon the significance of the survey as a medium to deliver a message to the public and receive direct feedback from relevant counterparts. Furthermore, he expressed appreciation for the joint collaboration with Roland Berger, the survey's intelligence partner, as well as the media representatives from Business Korea, JoongAng Daily Korea, The Korea Herald, and The Korea Times.

After Soosung Lee, Partner of Roland Berger, introduced the survey analysis, Huntaek Jung, Principal of Roland



Berger, presented the key findings of the Business Confidence Survey 2015.

Overall, a total of 139 companies totaling 35,000 employees and EUR 60 billion turnover participated in the survey held in December 2015. The company profile included 9 industries, diversely ranging from services to manufacturing to provide an unbiased viewpoint. Of the respondents, nearly 70% have operated in Korea for more than a decade.



Mr Jung highlighted five key findings of the survey: operation status of the companies; business outlook, business challenges, performance drivers for the Korean economy; Korea's legislative/regulatory environment.

First of all, European companies view Korea as an important market and are generally content with their performance. More than half of the respondents had plans to expand their business operations in 2016. While they were optimistic about "Growth", general pessimism resided in "Competition" and "Labour Cost".

Similar to 2014, companies pinpointed the biggest challenge to be the uncertainty of domestic and international economic growth. In order to increase performance, enforcement of law and transparent policy-making implementation were deemed as the most paramount, followed by fair competition and productivity growth. Finally, the discretionary enforcement of regulation stood out as the key obstacle for foreign companies operating in Korea.

Finally, the event concluded with a general Q&A and an open discussion session among the participants. Some topics included North Korea's effect on business environment and other solutions for obstacles facing European

#### First International Tax Seminar

The first International Tax Seminar was hosted by Korean Association of Certified Public Tax Accountants (KACPTA) on March 18. As the first speaker of the day, Christoph Heider, ECCK Secretary General, outlined issues experienced by European enterprises operating in Korea in the areas of taxation and tax audits. Other speakers at this seminar included representatives from National Tax Service (NTS) and Ministry of Strategy and Finance (MOSF).

Un-chan Baek, President of KACPTA, emphasized that the seminar was hosted in order to bolster public tax accountants' competency regarding international responsibilities. He also stated that seminars would continuously be hosted in the future in light of heightened interest in international tax issues.

## Preparing for the Future: The ECCK Defined Contribution Umbrella Plan

by Christoph Heider, Secretary-General of ECCK

In mid-2014, I met KumJoo Huh from Kyobo Life Insurance who was taking care of the corporate pension plans for a company I used to work for. Not only were pension plans our mutual keen interest, but we also shared experiences in improving the existing plans years ago such as the introduction of a bond-ladder strategy to hedge the risk of interest rate changes or the addition of the equity portion in a plan to create a higher return.

For many employees, pensions might not be sufficient to support themselves after retirement. It is especially true for those who rely mainly on the national pension plan or severance schemes. The Korean government introduced the severance pay system in 1953, and the national pension plan in 1988. Subsequently in 2005, individual corporations began to adopt additional defined benefit or defined contribution schemes. However, with the Korean society rapidly ageing, the national pension system is facing the issue of sustainability, while funds for severance are often diverted for other purposes. To our surprise, most small-and-medium sized companies and even many large corporations have only offered their employees severance schemes until now. Recently, the government has decided to implement a step-by-step approach to replace the severance system with mandatory pension plans.

The idea of an umbrella pension plan has been borne out of this background. During one of our meetings, I expressed my surprise at the absence of an umbrella pension plan in Korea, which has been common in some European countries. Therefore, the ECCK and Kyobo Life Insurance have cooperated to develop a new kind of pension plan available to ECCK members, foreign-invested companies, and interested local corporations.

Currently, the process to apply for a pension plan is that companies individually apply to the Ministry of Employment and Labour for approval. While it is expected to take a couple of months, it may take longer if a company's finance or HR department is unfamiliar with pension management. Both defined benefit and defined contribution plans will be primarily operated by an insurance company, and they are financially compensated by fees for administration and asset management. As fees are normally based on the accumulated assets, small companies have to pay more compared to big corporations that have already contributed billions of Korean won to the pension schemes. However, by introducing an umbrella scheme, all joining companies will benefit, as illustrated below:

- The umbrella plan will need to be approved only once by the Ministry of Employment and Labour, which means for all companies joining post-approval, the process will be shortened substantially. Rather than spending a substantial amount of time for a formal application, the company may join within a couple of weeks. This will lead to a huge efficiency gain for the companies.
- By pooling independent companies into one plan, the assets under management are also pooled and will be considered as one asset under management. This means that the asset classes with more favourable administrative and asset management fees will be reached faster. By being a member of the ECCK Defined Contribution Umbrella Plan, companies will not pay service fees based on their individual assets under management but on the overall assets contributed by all companies, leading to tangible monetary savings.

- Small and medium enterprises generally do not receive tailor made services. By teaming up, individual companies will form a single group with more leverage to request better services such as investment seminars for employees.

It nevertheless took a long time from the conception of the idea to the execution. Kyobo Life worked hard on launching this new product in Korea. The fact that such umbrella concept did not previously exist in Korea was actually the reason for the lengthy preparation process. The ministry in charge investigated and evaluated the proposal very carefully and cautiously as – when approved – it will create a standard for all succeeding umbrella plans. The plan is to be approved by the end of April from the Ministry of Employment & Labour, and currently it is under review by the Financial Supervisory Service. An official launch is to be expected in the middle of this year.

The official name is "ECCK Defined Contribution Umbrella Plan" as it was the ECCK who brought this idea to Korea – something the Chamber is extremely proud of. The ECCK is also very excited to have teamed up with reputable and reliable partners, Kyobo Life Insurance and Kyobo Axa Asset Management. Their effort into actualizing this plan is greatly appreciated.



# Seminars & Forums

## New ECCK Committee and Forum Chairs and Vice-Chairs

The ECCK would like to congratulate and warmly welcome new ECCK Committee and Forum Chairs and Vice-Chairs:

### Compliance Forum

Chair: Nicolai Nahrgang  
Vice-Chair: Ji-Young Park

Mr Nahrgang is currently Head of Compliance Asia at Continental and has previously worked in private practices in Germany and Korea. Ms Park is currently Head of Legal & Compliance at Boehringer-Ingelheim Korea.

### Healthcare Committee

Chair: Yoo-Seok Hong  
Vice-Chair: Christophe Piganol

Mr Hong holds the position as President of GSK Korea, and Mr Piganol is President of Zuellig Pharma Korea.

### Kitchen & Home Appliances Committee

Chair: Kay Paeng

Ms Paeng is currently Representative and Managing Director of Groupe SEB Korea. She has joined the industry in 1989.

## Italian Business Delegation Visits Seoul

From March 8 to 10, the Italian Business Delegation visited Seoul to strengthen Korea-Italy investment and trade relationships, discuss collaborative business opportunities, and create a platform for Italian manufacturers and banks and future Korean partners to meet.

During the Delegation's Automotive Sector Seminar, Seonghwan Jeon, Head of ECCK Automotive Industry, conducted a presentation on "The Korean Market Entry for Auto Parts Companies: Strategies Using EU-Korea FTA" to the representatives of the automotive sector in the Delegation. The presentation provided an overview of market trends and regulatory developments in the Korean automobile market. In particular, Mr Jeon highlighted issues related to market entry for automobile part businesses looking to enter the country.



## Compliance Forum

On January 14, the members of the ECCK Compliance Forum met with expert counsel of Shin & Kim to kick-off 2016. Given the generosity that is often found during the Lunar New Year period, the meeting revolved around how to keep compliance issues at bay when sponsoring, donating or handing out gifts.

While these acts are generally well-intended, there are various restrictions imposed by, for example, the Public Official's Code of Conduct and the Korean Criminal Code. Two key takeaways from this meeting were that there is no clear monetary threshold for an action to be deemed criminal bribery, and that both providers and receivers are subject to criminal sanctions in case of bribery.



## Taxation Seminar

On February 18, the ECCK co-hosted a Taxation Seminar with Deloitte. This morning meeting provided updates on the tax amendments and reforms of the year 2015. Sun Young Kim, Partner of Deloitte, covered five different laws and their changes in detail: Corporate Income Tax, Tax Incentive Limitation, Personal Income Tax, International coordination Tax, and Value Added Tax. The seminar closed with a thoughtful Q&A session and provided time to address additional questions.

## CFO Forum

The ECCK's quarterly CFO Forum was hosted by Ernst & Young Korea on February 23 and was attended by member participants. The speaker Jack Jia, Partner of EY Hong Kong, Fraud Investigation & Dispute Services Asia Pacific, gave an in-depth presentation about the increasing importance of risk management and internal control for all companies. After the forum, the participants had the opportunity to further discuss issues and share opinions over dinner.



## Logistics Seminar

On March 17, the ECCK organized Logistics Industry Seminar to discuss business and technology trends and their implications. Sanhwa Song, Professor of Graduate School of Logistics at Incheon National University, delivered a presentation on "Network of Everything: The Changing Landscape of Business".

Professor Song discussed challenges facing the logistics industry due to the growth of online businesses. He introduced a variety of cases where companies lead their businesses to success by providing customers with outstanding services as well as products. He also mentioned growing an on-demand service, which has been one of the important changes in many industries.

After the presentation, the seminar concluded with a Q&A session to explore the Korean government's future role regarding this issue. The seminar provided a good opportunity for the participants to understand the industry's recent trends.

**HR Forum**

In the morning of March 24, the ECCK organized a seminar on Labour Market Trends and Forecasts for 2016. The year 2015 saw an increase in foreign direct investment as well as the number of foreign companies operating in Korea. Duncan Harrison, Country Manager of Robert Walters, analyzed the effects of the increase in demand for hiring and overall salary trends in a range of industries. Furthermore, Kim & Chang's labour experts Matthew Jones, Deok Il Seo and Jae Gul Lee offered an explanation for the two guidelines recently issued by the Ministry of Employment and Labour and their impact on established practices.



# ECCK Busan Chapter

**Busan Annual Update**

On March 3, the ECCK Busan Chapter held an annual update meeting with Busan member companies and discussed the information shared at the ECCK Annual General Meeting in Seoul. This meeting was held at Park Hyatt Busan and started with opening remarks of Jan Benggaard, Vice-President of the ECCK. The report was delivered by Christoph Heider, Secretary-General of the ECCK.

After closing remarks, all participants including newly joined member companies, Comarine, Sener Korea, and Citadines Haeundae Busan, had an opportunity to present themselves over the delicious buffet. Members expressed satisfaction over the timely updates and the meeting arrangement.



**Marine & Shipbuilding Committee Meeting**



On March 10, the first Marine & Shipbuilding Committee Meeting of 2016 was hosted in Busan. Firstly, the new joint industry program for standardization of offshore projects was presented by speakers Jin-Seong Sohn, Director of Hyundai Heavy Industries, and Hans Petter Ellingsen, Manager of DNV GL Project.

Shortly after, David Cummins, Chairman of ECCK Marine & Shipbuilding Committee and Vice President of Shell Korea, introduced the Safety Standardization across Korean shipyards and the necessity of having a safety cultural changes in order to reduce work-related incidents. To make such changes possible, he emphasized, it would be necessary to institute and execute a long term plan.

Finally, the meeting closed with the plan to renew the second meeting of the year on April 21 with a special guest from Australia.

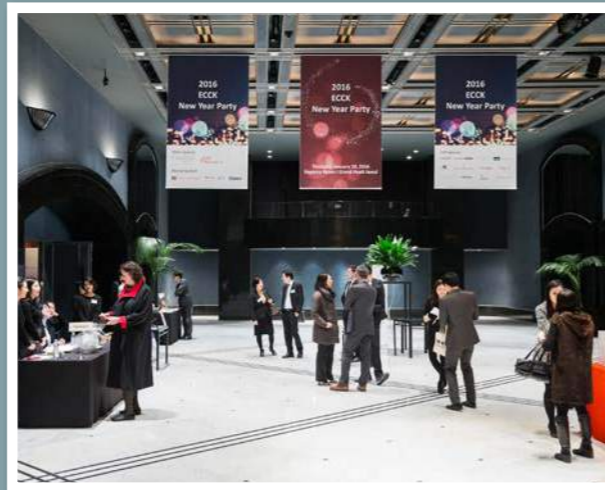




# The New Year Party

The 2016 ECCK New Year Party was a perfect evening of glamour and class; we hope the evening was delightful for all attending members and friends.

Furthermore, the party would not have been complete without our long list of very generous sponsors. We would like to thank: Asian Tigers, Chanel, Conrad Seoul, Continental Automotive Systems Corp., Daehyun, D Museum, Grand Hyatt Seoul, Heineken, Indulge, Latvian Embassy, Millennium Hilton, Lee & Ko, National Theater of Korea, Oakwood Premier, Park Hyatt Busan, Phillips, Sheraton D Cube, Shilla Stay, and Vaillant.





# March Network Night

The Chamber's first special whisky class and March Network Night turned out to be an evening full of merriment, thanks to our participants and special support from BarN and Glenfiddich.

We are always on the search for new, attractive venues for our network events; your feedback and input will be greatly welcomed!



## GLOBAL SUPPLY CHAIN LEADER

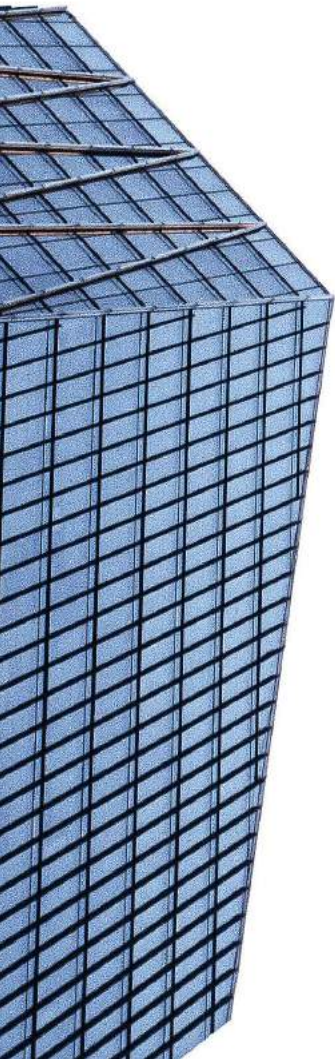
Multimodal Transport  
Customs & Regulatory Compliance  
Logistics  
Global Supply Chain  
Industrial Projects

An integrated worldwide network  
102 countries, 612 agencies, 21,200 professionals





# Financial Industry in Korea



The financial industry is facing new challenges that range from technological innovation to policy changes. In the banking sector, FinTech—a shortened form of financial technology looms large, emerging as a threat to traditional banking services in the areas of lending, transfer, and credit ratings.

In Korea, the declining profit margin is driving out global financial companies. In the past few years, notable global groups have closed their offices or downsized their operations. HSBC in 2013, Citigroup and Royal Bank of Scotland (RBS) in 2015, and most recently Barclays in January this year.

While low interest rates and the slowdown of economy have made the Korean market less attractive, growing competition with local firms, high labour costs, and strong regulations add more pain to their already difficult operations.

In *Business Confidence Survey 2015*, which was conducted by the ECCK along with 11 other European chambers and business councils, the frustration of European finan-

cial companies was evident.

53.5% of executives in the financial industry stated they had no plans for expansion in the near future. The financial industry was most negative about the outlook for competition as 73% viewed it pessimistic. 60% and 73.3% of those surveyed in the sector were concerned about productivity and the increase in labour costs in next two years respectively. Only 13.3% expected positive developments in profitability.

Despite Korea's dream for establishing Seoul as one of Asia's financial hubs, the recent developments foreshadow a grim outlook for the market itself as well as the country's vision.

In this issue, *ECCK Connect* had a valuable opportunity to hear from Philippe Percheron, CEO of NH-CA Asset Management, about market opportunities. The Chamber also runs four committees in the financial sector to represent the voice of European financial firms. A brief introduction of the ECCK's services will be found in the following pages.



# Interview with Philippe Percheron, CEO of NH-CA Asset Management

## What are your thoughts on both global and Korean investment trends?

Since the low interest rate is now a global issue, institutional and retail investors are all looking for a point of investment where it can generate more income. We started to pursue more flexible approaches on the asset allocation. Now, we have this “balanced product” which is a global trend. This type of products has been trendy in the US and Europe already for 10 years, due to the Lehman crisis and very low level of yield. However, the real development started after these incidents. By allocating assets between equity and fixed income flexibly, we expect higher returns than the time deposits although the volatility that is coming from equity is still higher.

Investment inflow in balanced products in Korea has started since only last year. For that reason, assets under management (AUM) consist of just Korean assets and fix allocation between fixed income and equity. Even for equity, the flexibility is not very high. This could be due to Korean balance funds not being diversified. For example, last year in Korea, small-mid-cap funds performed so well, the best performing fund in this sector was managed by NH-CA (Perf 38%). Korean asset has done better, and there is not so much



need for diversification for the time being. But this nice performance will not last forever. We cannot say that the Korean market will over-perform for a long period of time. The reason is that in this theme of balanced product, it's better to diversify and introduce some overseas products to have some cushion in case of vanishing market in Korea. At least as the first step, Korea should introduce more flexibility into the equity investment. What has never been done massively is to introduce mixed, hybrid funds that is based on Korean won exposure and the capacity to diversify with overseas products.

In the perspective of the decreasing yield world-

wide including Korea, everyone was certain that Korea's interest rate would follow the tightening US monetary policy even six months ago. Now, the Bank of Korea is expected to decrease the rate below 1% by the end of this year. With the shrinking interest yield, which was already the case in the US and Europe, the money is more spread out. You have to prepare the product now to welcome this money. Therefore, I would like to emphasize the importance of bond balanced products with some flexibility and the target return over a minimum period of time. In Europe, especially in France, we have set this period with objectives (an average over five years), since these types of products are usually set with an average investment of five years. This number is interesting because it is also the maturity for the new tax advantage product which is individual savings account (ISA). These new tax scheme products will be favorable to get some reductions in the dividend part, but not the capital equity, which is favorable for balanced products because the larger portion will be fixed income. For example, in France, the target of this 5 yearlong balanced product has been set at 5%, which is above the EONIA (EURO overnight index average).

## Could you give us specific cases indicating such trends?

There was this impressive marketing slogan “All Weather Forecast Product” for a financial product in the EU. The slogan meant to convey the idea that this product can be adaptable for all kinds of changes. When you combine this type of product with a regular saving plan, a combination of both provides a nice return. The advantage of the regular saving plan is when the market is going down, with the same amount of money, you can buy more. By purchasing during the dip, you can lower the average price and will be able to expect the initial investment amount earlier and better performance results overall. In this so-called “Smooth Effect”, the first step is to deal with the mechanism of the regular setting plan, and the second is the diversification of the fund. However, you should not just focus on equity but rather on the overall performance from Korean perspective.

When you live in a certain country, you believe the safest investment is with your own country. After such initial investment, you look into your close neighbors and then your extended neighbors. For example, for Koreans, Korea would be considered the safest investment. China, Japan, India and other emerging countries would be considered as the close neighbors, while the US and the EU would become the extended neighbors. Developing this scheme, we would like to invest where the market opportunity rises. This doesn't mean that this type of fund is not prone to negative performance. There is always a risk. Overall, investing in Korean bonds would be less risky although it will be less profitable. If you would like a greater return, then you need to take a bigger risk.

## What are some other characteristics specific to Korea?

Another particularity of the Korean market is this trend of leverage index funds which is for the mass market and founded in 2009. With the market correction in January, KRW 500 billion was collected in one month and in February, already KRW 110 billion has been redeemed with the market rebound. This kind of investment is very





particular to Korea whereas this type of product is only for institutional investors or governments. Korean investors are clever in this sense; when the market drops, people usually does not buy more stocks. Koreans are especially talented when it comes to buying cheap and selling high. Yet, this is very short-term oriented, and there would be no savings over a long period of time.

**There is something new called Equity Tax Advantage. Could you tell us more about this?**

My initial reaction was negative since tax advantage was already introduced once in 2005 and then withdrawn in 2009. Also, this is not an appropriate way to control the currency as it seems like more of a practice run without strategy. However, it is good to see a new type of equity product for this tax scheme. It started very recently so it's too early to say whether it will become a big advantage or not. People generally should invest in this not only because of its tax advantage but also because they believe in the sustainability of its performance and development. From the Korean point of view, the tax difference between the non-taxable Korean equity and overseas is not such a big deal. If you invest overseas, it is because you expect more return. You can also include the tax cost calculation which indicate how big the performance has to be. I'm not sure if the tax incentive will be enough but it is welcome. But compared to the last trial, the rule is clear: two years' window prescription then the consumers enjoy the tax advantage for 10 years and over.

Financial companies including NH-CA have designed particular products, and we have introduced three funds dedicated to this scheme.

The first fund relates to mainland China. After the recent market correction, China is one of the places which has become more attractive in terms of valuation. The second one is Global Equity Funds with the Smart Beta concept. Smart beta fund will follow the index when the market is up but by some strategy of asymmetric behavior, try to smooth or limit the draw down. Because of these features that achieve this type of profile, we call it "Smart Beta"; people want to participate in the performance when the market is up but

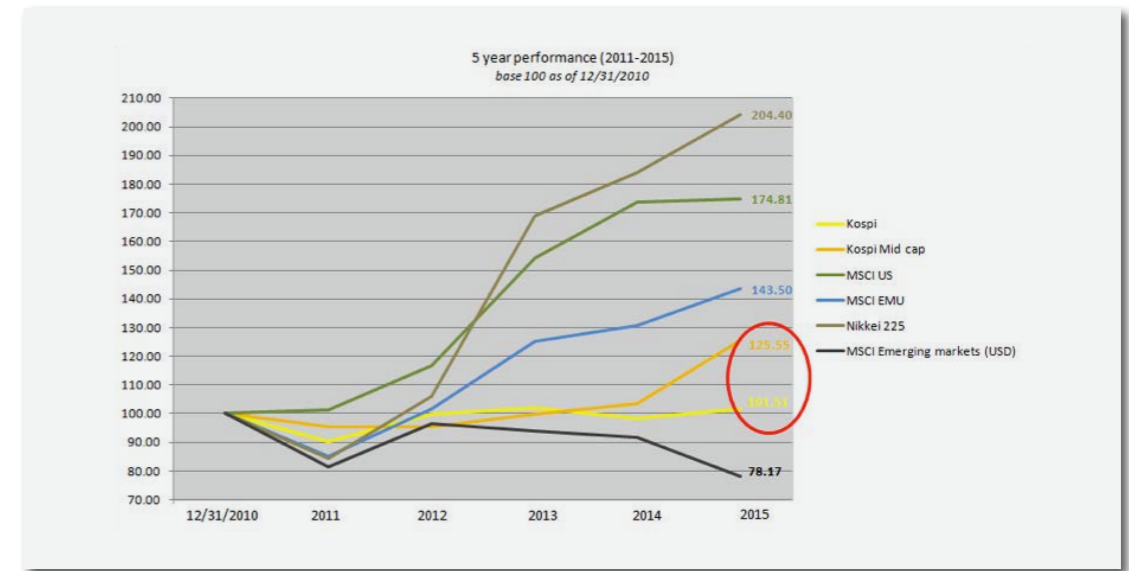
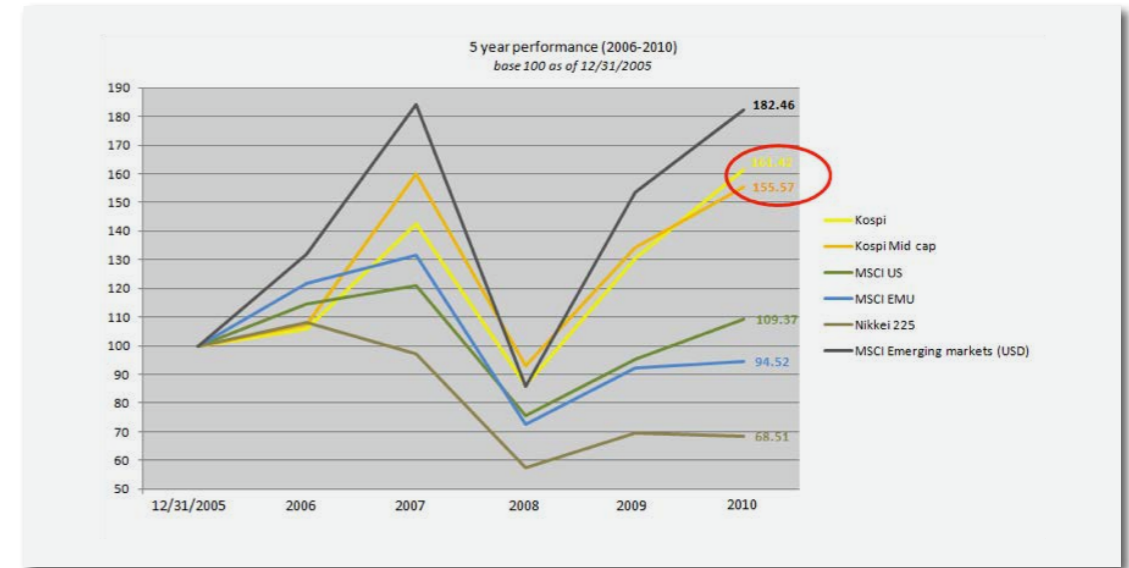
**"The conclusion is diversification."**

not when the market is down.

The last Global Equity Fund is "The Silver Age"; the fund is focusing to invest on the population aging. Based on the analysis that elder people have the highest consumption power. We have eight investment themes to take care of elder consumption such as health care and car industries. This fund was very successful when launched in Europe 7-8 years ago, now extended to worldwide. Population aging in Asia including Korea is definitely viable.

**Why would you recommend investing in offshore funds?**

So, why global funds? Firstly, there are diversification and less volatility compared to a single country. This is the main reason for the mass market. In terms of where to invest, we would like to promote funds with more flexibility. For example, even if I recommend you to buy something right now, the market will change after my recommendation. Therefore, if I'm not able to keep in touch with you, then you will not know when to keep or what to sell. This lack of follow-up has been happening for some time in Europe and the US, so companies are greatly increasing their customized management services. You either have to have someone take care of it A to Z or keep up with the market yourself. Keeping an equity for ten years does not guarantee a return, which means a more flexible approach is necessary. The conclusion is diversification. But again, this is not a one-time deal but something that must be continuously overlooked and managed.



By splitting the annual returns of equity indexes into two periods (2005-2010 and 2011-2015), the benefits of overseas diversification are clear. Korean equities have significantly outperformed most major markets between 2005 and 2010. However, Japan and the US have become the best performers from 2011 to 2015, and in particular Nikkei index has more than doubled, while Kospi was only flat. No market can repeatedly outperform over a long period. Investors can improve returns by seizing opportunities across global markets. In the coming months, overseas diversification should allow to take advantage of multiple performance engines. On bonds market, introducing Investment Grade US or EUR corporate bonds will improve the yield to maturity of portfolio. Amongst equity strategies, Eurozone offers an attractive risk/return trade-off, and interesting yields.



# ECCK-Aberdeen Real Estate Insight Investor Session

On January 27, the ECCK co-hosted the Real Estate Insight Investor Session with Aberdeen Asset Management PLC, under the title of “Why Bother with a Multi-Manager Strategy?”

The ECCK’s Asset Management Committee has organized the academic sessions since 2012 to share professional analysis of the global real estate market trends and investment strategies. Aberdeen Asset Management, formed in Aberdeen, Scotland in 1983, is listed on the London Stock Exchange and joined the FTSE 100 Index in 2012. Its total assets under management (AUM) is USD 429.7 billion as of September 2015, covering equities, fixed income, property and alternatives.



The seminar began with the opening speech by ECCK President Jean-Christophe Darbes. Successively, Milan Khatri, Global Property Strategist of Aberdeen Property Division, and Puay Ju Kang, Head of Property Multi-Manager & Director of Aberdeen Asset Management Asia Limited spoke about the company’s Multi-Manager strategy and the global property market outlook. Moderated by Alex Kim, Representative Director of Aberdeen Korea Co. Ltd, the session was attended by 25 senior asset managers and analysts from institutional investors and asset management companies in Korea.

The panellists first addressed the benefits of property Multi-Manager investment with detailed examples of how Aberdeen carried out this strategy. Major advantages of the multi-manager strategy were portfolio diversification, access to local specialist managers, and the best manager/strategy match, which all together led to cost efficiencies and fee discounts.

Following discussions focused on identifying “winning cities” and how property investors could capitalize on them. “Commercial property prices in major cities like New York or London have significantly risen. Now it is the time to pay attention to second tier cities or residential capital values,” said Milan Khatri. The property investment has rapidly increased in the past three years because the expected return of investment on real estate is higher than that of interest rate based products. Also, the rate of return is considered to be more manageable depending on investment strategies. As a result, investors flocked to major markets such as New York and London, pushing up property prices.

Mr Khatri noted that new opportunities could be found in second-tier cities. He emphasized that high returns would be possible if properties or real-estate assets with promising values were identified.

In regard to regional outlook, he predicted that the European market would be more profitable than the American market for global investors. As economic growth rates and interest rates are the two most important variables in the property market, he evaluated the European market



would be in a better position as it had already entered the recovery phase while still maintaining low interest rates. On the other hand, the possibility of an interest rate hike lingers around the US market.

He also suggested that investors approach the Asian market by city and by asset type. “For instance, the office building market in Singapore sees a downward trend while the Australian market shows a growth. Therefore, it is more important to identify what really affects real estate prices in the target market than to invest based on national economic indicators, which is often the case for the European and American market,” said Mr Khatri.

On the other hand, Puay Ju Kang, Head of Property Multi-Manager and Director of Aberdeen Asset Management Asia Limited, pointed out residential property as an attractive asset to invest in this year. According to Ms Kang, the ageing population has created new markets and opportunities. “The residential market, in particular a town for the aged (“silver town”), will be in more demand.”

Such a market could be more profitable with higher chances of investment, mainly because these markets have not been a main interest to traditional investors. Ms Kang recommended to “keep an eye on the inflow of people and infrastructure of cities, as in a well-equipped city where population continues to grow and the quality of life is high.

Eventually, the demand will exceed supply, and the profitability will go up.”

Finally, Mr Khatri judged that prospective regions of housing investments, such as Copenhagen, Stockholm, Frankfurt, and Tokyo, represent high-value opportunities due to a major influx of educated workers on top of an overall increase in population.





## ECCK Financial Services Committees



ECCK Financial Services are comprised of four sectorial committees – Alternative Investment, Asset Management, Banking, and Insurance. Representing the voices of European stakeholders, the Committees provide access to information, advocacy, and networking opportunities exclusively for their members.

All Committees function primarily as a platform for advocacy services. The ECCK Financial Services Committees discuss regulatory changes, collect common opinions on the business environment, and handle grievances against policies not in line with the global standards and particularly the EU-Korea FTA. As part of such efforts, the ECCK organizes discussion meetings and information seminars with relevant government agencies or officials. Furthermore, the Committees contribute to the publication of the ECCK's annual White Paper in which regulatory issues and policy recommendations of the year have been compiled for distribution.

The ECCK Financial Services Committees also offer international seminars and conferences to get updates on global market trends. From 2013, the Committees have

invited experts from Korea and overseas to organize ECCK Alternative Investment Sessions and subsequently the "Academic Salon" where market experts share insight with each other and build a network in the field.

Most prominently, the ECCK co-organize the annual Global Alternative Investment Insights (GAI) in partnership with Maeil Business News, the largest business daily in Korea. Each year, more than 600 asset management experts, institutional investors, and analysts from major global players join the conference, discussing new investment strategies and emerging market trends. In 2016, the GAI conference is scheduled in October with notable guest speakers expected to visit Korea for the event.



# 2016 Europe Week

May 9. Europe Day

May 11. Korea-EU FTA Symposium

May 12. All European Network Night

May 14. ECCK Busan Family Picnic 'Taste of Europe'





# New Tax Law Amendments for 2016

## Guidance on Notable Corporate Income Tax Reforms

### 1. New Reporting Requirements for Cross-Border Transactions of Multinationals

On February 5, 2016, the amendments to the Enforcement Decrees to the Law for the Coordination of International Tax Affairs (ED-LCITA) came into effect, which sets forth detailed procedures regarding the transfer pricing documentation reporting requirements newly implemented in the LCITA.

The new legislation requires the submission of transfer pricing reports by domestic corporations and foreign corporations with permanent establishment (PE) in Korea with revenue of KRW 100 billion or more and cross-border transactions with affiliates of KRW 50 billion or more in the relevant tax year.

Any domestic corporations or foreign corporations with PE in Korea are required to submit transfer pricing documentation when filing corporate income tax returns for fiscal years beginning on January 1, 2016 onwards. For failure to fully comply with the filing requirements, taxpayers will be subject to a penalty of KRW 30 million. The transfer pricing documentation requirements generally follow the Action 13 (Guidance on Implementation of Transfer Pricing Documentation and Country-by-Country Reporting) of the OECD/G20 Base Erosion and Profit Shifting Project. Specifically, the documentation requirements consist of: (i) a master file containing standardized information relevant for all multinational

group members; and (ii) a local file referring specifically to material transactions of the local taxpayer. It should be noted that the draft legislation does not contain a requirement for a country-by-country report (CbC report) containing pertinent information on the global allocation of the MNE group's income and taxes paid. The new legislation requires the transfer pricing documentation to be submitted to the tax office in the relevant jurisdiction of the taxpayer in paper or electronic form in the Korean language. However, the master file may be submitted in the English language on the condition that a Korean translation of the documentation will be filed within one month.

The legislation is effective for fiscal year reporting beginning on January 1, 2016.



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### 2. Tax Deductibility Limitations on Company Car Expenses

Amendments to the corporate income tax law (CITA) and the individual income tax law (IITA) include a new deductibility provision for expenses relating to the use of company cars by corporate officers or employees. The amendments introduce a new requirement that the insurance on such corporate cars be limited only to company officers or its employees. Failure to do so will automatically deem the car-related expenses to be non-deductible for corporate income tax purposes. In addition, the expenses would be added to the relevant person's individual income tax base.

Once the above car insurance requirements have been met, there are two separate deduction schemes based on whether the company maintains log journals for the operations of the car.

If the company does not maintain log journals of the company car operations, deduction of car related expenses (including lease payments, fuel expenses, taxes and depreciation expenses above) is limited to KRW 10 million per annum. On the other hand, where log journals of company car operations are maintained, the total car related expenses (including lease payments, fuel expenses, taxes and depreciation expenses above) may be deductible at the ratio of the mileages incurred for business purposes to total mileages incurred. Based on the above, the deductibility of company car expenses in excess of the KRW 10 million threshold will generally become dependent upon the percentage of business use and the maintenance of company log journals.

Regardless of whether a company maintains log journals of car operations, the depreciation expenses (or equivalent amount for leased vehicles) incurred for each corporate vehicle may be deducted as a percentage of the business usage ratio up to KRW 8 million per annum. Any amount in excess of this limit may be carried forward to subsequent years. In addition to the above, the amendments require that depreciation ex-



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ences be calculated by using the straight-line depreciation method based on a useful life of 5 years.

The new law seeks to reduce the tax burden on small and medium sized enterprises that generally incur company car-related expenses of less than KRW 10 million per annum per vehicle. On the other hand, the primary objectives of this amendment to the tax law are to prevent misuse of corporate vehicles for personal use and to curb the frequent purchase of expensive corporate vehicles as a tax saving method.

These new requirements are effective as of the fiscal year beginning on January 1, 2016.





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## Counterfeiting – A Global Concern

By Sven-Erik Batenburg, Head of ECCK Legal & Compliance

Creations of the mind, commonly known as intellectual property (IP), are an important pillar for a successful economy. During her inauguration address on February 25, 2013, President Park Geun-hye introduced the paradigm of Creative Economy, hinging on the “convergence of science and technology with industry...and the blossoming of creativity” as a key factor to ensure economic revitalization of Korea. Cecilia Malmström, European Commissioner for Trade, has referred to IP

as the “fundamental plank of...economic success” and also mentioned that “the digital age will not function properly without intellectual property protection”.

A recent study<sup>1</sup> has confirmed the important impact IP has on the EU economy. Half of all European industries are highly dependent on IP. Moreover, these industries account, directly and indirectly, for 1 in 3 jobs in the EU and close

to 40% of the total European GDP. An impressive 90% of the EU’s global trade involves these IP intensive industries.

Thus, it is hardly surprising that any possibility for infringement of IP cascades down from the IP owner, affecting the economy as a whole. It has been argued that assuring “legal protection [for] new creations encourages the commitment of additional resources for further innovation”<sup>2</sup> and therefore a lack of (factual or practical) legal protection for IP can serve as a deterrent to innovation. While IP infringement can take multiple shapes, a particular form with a global impact is the production, distribution and sale of imitation, counterfeit or pirated products. To put this into perspective, in 2014, the customs authorities of all EU countries seized a combined 35 million counterfeit articles. These products ranged from medicines and cosmetics, to electronics and machinery, and represented a total value of more than EUR 600 million on their way into the EU.

Counterfeiting often brings to mind a picture of a poor merchant selling fake bags on the street. The reality, however, is that counterfeiting is an enormously profitable global industry in which criminal syndicates, with links to other forms of crime, operate in order to finance their activities<sup>3</sup>. Research has shown that the return on investment for counterfeit products can be up to 50,000%, vastly exceeding profit margins for hard drugs (which provide returns of “only” 20 times the initial investment)<sup>4</sup>. In light of its illegal nature, it is difficult to quantify the full scale of the counterfeit industry. The OECD did estimate that the global international trade in counterfeit and pirated goods amounted to almost 2% of the total global trade in 2007<sup>5</sup>.



1 Intellectual Property Rights Intensive Industries: Contribution to Economic Performance and Employment in the European Union, European Patent Office and the Office for Harmonization in the Internal Market, September 2013

2 What is Intellectual Property?, World Intellectual Property Organization

3 2015 Situation Report on Counterfeiting in the European Union, Europol and the Office for Harmonization in the Internal Market, April 2015

4 Counterfeit Medicines and Criminal Organizations, International Institute of Research against Counterfeit Medicines, September 2013

5 Magnitude of Counterfeiting and Piracy of Tangible Products: An Update, OECD, November 2009



The counterfeit industry claims a range of victims, beyond merely IP owners. Firstly, since the products are not tested for compliance with safety standards, both direct and indirect consumers are placed at the risk of physical harm. Secondly, governments are deprived of income due to contracted tax collection and face higher expenses due to escalated social security costs. Thirdly, the existence of counterfeit products not only stops the spirit of innovation, but also makes it practically difficult to innovate. Entrepreneurs will face considerable difficulty in establishing their own brand when they are outpriced by counterfeit products of more renowned brands. This in turn makes it impossible for new brands to achieve similar global recognition as, for example, Samsung and Hyundai, which are ranked as the 7<sup>th</sup> and 39<sup>th</sup> most valuable brands globally<sup>6</sup>, respectively.

To gain quantitative insights into the corrosive effects of counterfeit goods, a number of studies have been conducted by the European Union Intellectual Property Office<sup>7</sup>. In these studies, the economic effects on the cosmetics, clothing, sport goods, toys, jewellery, and luggage sectors throughout the EU were appraised<sup>8</sup>. It was estimated that for the concerned sectors, counterfeit goods cause a drop in sales ranging from 6% to 13%. Moreover, for the six sectors combined, the studies assessed that IP infringements result in a total loss of 670,000 jobs and EUR 11 billion in government revenue throughout the EU.

While research into the effects of counterfeit goods in Korea has not been as extensive, the Hyundai Research Institute released a report in 2014 which provided some insights<sup>9</sup>. It suggested that Korea's underground economy amounts to KRW 26 trillion annually and that

annual government losses exceed KRW 500 billion. In this regard, it is worth noting that in consumer surveys ECCK conducted in 2014 and 2015 almost half of all respondents indicated to have personally purchased counterfeit goods.



In the same consumer surveys, more than 80% of the respondents indicated to favour stronger government involvement against the counterfeit industry (with one quarter of the respondents opting for punishment of the consumers of counterfeit items). Various parts of the Korean government have become involved in curbing counterfeiting related activities. This ranges from ending supplies by border detection of counterfeit goods contained in both containers and smaller shipments, and rooting out production facilities across the country, to enforcement activities against counterfeit sellers. An effective example of the latter is the establishment of a special unit responsible for cracking down on counterfeit sales in Seoul's Jung-gu Office and Seoul Metropolitan City. Through continuous and dedicated enforcement activities over the course of a three-year timespan, these officials have succeeded in reducing the sale of counterfeit products in all of Seoul's infamous street markets, and have practically put an end to the open sale of counterfeit goods in Myeongdong and Namdaemun<sup>10</sup>.

<sup>10</sup> Counterfeit Goods Worth KRW 20.7 billion Seized in Myeongdong, Namdaemun Market, and Dongdaemun Market Last Year, Yonhap News, February 24, 2016 (<http://www.yonhapnews.co.kr/bulletin/2016/02/24/0200000000AKR20160224063800004.HTML?input=1195m>)

<sup>6</sup> 2015 Best Global Brands, Interbrand

<sup>7</sup> Until March 22 named the Office for Harmonization in the Internal Market (OHIM)

<sup>8</sup> Studies conducted by the EU Observatory are available (<https://euiipo.europa.eu/ohimportal/en/web/observatory/quantification-of-ipr-infringement>)

<sup>9</sup> Estimating the Size of the Underground Economy due to Counterfeit Goods, Hyundai Economic Research Institute, December 1, 2014

The aforementioned efforts have been initiated after ECCK raised awareness amongst local politicians about widespread sale of counterfeit products within Seoul and their harmful impact. Through its Intellectual Property Rights Committee, the Chamber engages with various levels of government to increase the level of IP awareness and to enhance official's capacity to take effective and lasting measures against the counterfeit industry, thereby alleviating limitations in resources and jurisdictional authority through various forms of cooperation.



On March 10, ECCK presented to prosecutors and investigators important global developments in tackling counterfeit products during a national workshop for the Prosecution Service.

In addition to government officials, the industry plays an important role in ending counterfeiters' activities. That role includes IP owners providing assistance to government officials in the latter's enforcement activities as well as intermediaries ascertaining themselves of the fact that no IP infringements are facilitated through their services. The very virtues that are inherent to the internet, such as its interconnectedness, expeditious nature and anonymity, can pose issues for the online enforcement. Only cooperation between all involved parties (ranging from IP owners and intermediaries to government officials) will make it possible to

protect consumers, industry, and the government alike. The ECCK has organized a number of IP capacity building seminars in which officials exchanged views on clamping down on the counterfeit industry with representatives from various industries.

A final role is reserved for consumers since they have one of the most powerful tools at their disposal: purchasing power. The unfortunate reality is that many of the globally consumed counterfeit products follow a deliberate purchasing decision with knowledge about the product's illegitimate nature. As long as the demand exists, counterfeiting will be a lucrative business. Enhanced consumer awareness of the facts about the counterfeit industry and its harmful implications will lead to a disavowal of the false notion that counterfeiting is a harmless crime. In order to achieve such, the ECCK has organized and participated in a range of public awareness campaigns aimed at informing various members of the general public about the malicious character of the counterfeit industry.

The ECCK will continue its activities to establish cooperation, increase capacity and raise awareness about counterfeit products for all involved parties, which in turn can assist in Korea's economic revitalization to everyone's benefit.



# Robert Walters Global Salary Survey 2016

Robert Walters expects ongoing digitalization of businesses to drive increased hiring by hi-tech firms in 2016



David Swan, Managing Director of Japan and Korea at Robert Walters

Global specialist recruitment consultancy Robert Walters PLC released its *Global Salary Survey 2016* at an event held in early February at the Grand Intercontinental Hotel in Seoul. The 17th edition of the global salary survey provides a comprehensive review on the latest recruitment market trends and global salaries in numerous industry sectors worldwide.

The event, which featured a presentation and question and answer session by David Swan, Managing Direc-

tor of Japan and Korea at Robert Walters, and Duncan Harrison, Country Manager of Korea at Robert Walters, was attended by over 80 representatives from varied fields such as finance and banking, retail consumer, manufacturing, IT, gaming, and chemical.

The forum enabled guests to gain valuable knowledge and insight on the most up-to-date salary information and obtain global best-practice hiring advice across multiple sectors, while also providing a positive experience for jobseekers and hiring managers who received a wealth of competitive compensation data and retention advice for current and prospective employees.

On a global level, the survey data show that recruitment levels in 2015 were buoyant across several countries, including the United Kingdom, Japan, Taiwan and Vietnam, while China saw more conservative hiring levels with a predominance of replacement-based recruitment. Market needs are also expected to be especially high for specialist talent with salaries to grow further in 2016, as economic growth is predicted in advanced countries and the digitalization of businesses continues.

For the Korean market, recruitment activity was strong in the hi-tech sector in 2015, and candidates with proven digital marketing experience were in high demand from mobile app and web businesses. This ongoing digitalization of businesses is expected to continue in 2016 and increase hiring by high tech firms.

Increased hiring by international firms is also likely to continue in 2016, with several global companies planning to enter the Korean market. Many companies which have already achieved success in China and Japan now see Korea as their next development priority in Asia.

Mr Swan said, "As major global organizations entered Korea in recent years, hiring by foreign firms grew significantly in 2015, while subdued economic performance in the country restricted the recruitment activities of

Korean companies. The structure of the Korean jobs market continues to change significantly as international companies have placed new demands on local talent having bilingual capability."

Other areas of high demand include professionals with cost accounting and financial analysis expertise, and bilingual actuaries due to the increasing number of insurance companies which require fluency in Korean and English. The survey also highlighted that hiring managers will be particularly keen to find professionals who can prove their ability to build relationships and develop business.

"With more international companies entering Korea, we expect the significant salary increases that job movers working at international companies have enjoyed in recent years to continue," remarked Mr Harrison. "Companies will also fight to retain their best employees; top performers remaining at their current companies have seen annual rises of up to 10%."

The Robert Walters annual Global Salary Survey was first released in 2000 and covers data from 24 countries based on its analysis of the recruitment placements and salaries for the previous year. The survey offers

comprehensive market insight and provides an economic overview and job market outlook for each country.



Duncan Harrison, Country Manager of Korea at Robert Walters

For more information on salaries and recruitment trends in your industry, download the Salary Survey application from the Apple Store or Google Play by searching "Robert Walters Salary Checker."





# Color Your Life

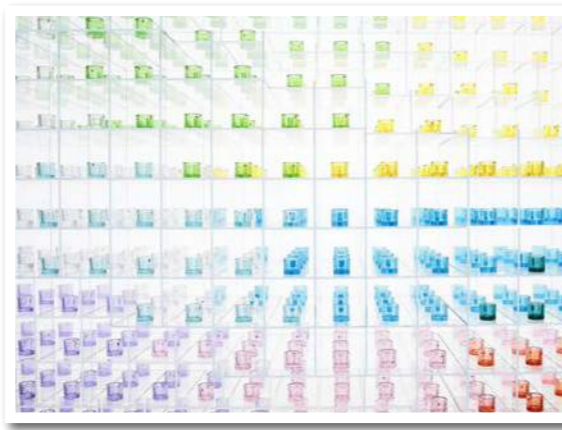
**February 25, 2016 – August 21, 2016**

Daelim Museum presents "COLOR YOUR LIFE," an exhibition of works by leading contemporary designers and global brands on the theme of colour, from February 25 to August 21, 2016. This exhibition introduces the processes by which colour combines with creative designs of diverse materials to produce new objects that transform our everyday lives.

The exhibition begins with a journey of rediscovery, casting new light on the hidden colours around us through the colour-themed photographs of six artists. This is followed by a series of examples of the textures created when colour meets materials such as glass, fabric, leather and metal. The exhibition continues with an exploration of the creative processes by which contemporary furniture designers from around the world achieve new developments in colour, before concluding with a display of interior designs combining 2016 colour trends with masterpiece furniture by leading international designers. The progressive composition of the exhibition, moving from everyday colours to their combinations with other materials, their development through design processes and, finally, their expansion to fill spaces,

offers viewers the chance to experience colour from a multitude of angles.

The increasing recognition of design as a key element in product success has brought new attention to items that make outstanding use of colour. Colour trends announced by various companies and institutions each year are widely applied in fashion, furniture, household appliance, interior and other design fields, constantly being re-produced as they touch, directly and indirectly, upon the lives of consumers. Meanwhile, the ever greater importance attached to individual quality of life and aesthetic lifestyles has led to a growing interest in the culture of DIY ("Do It Yourself") and creating unique personal spaces.

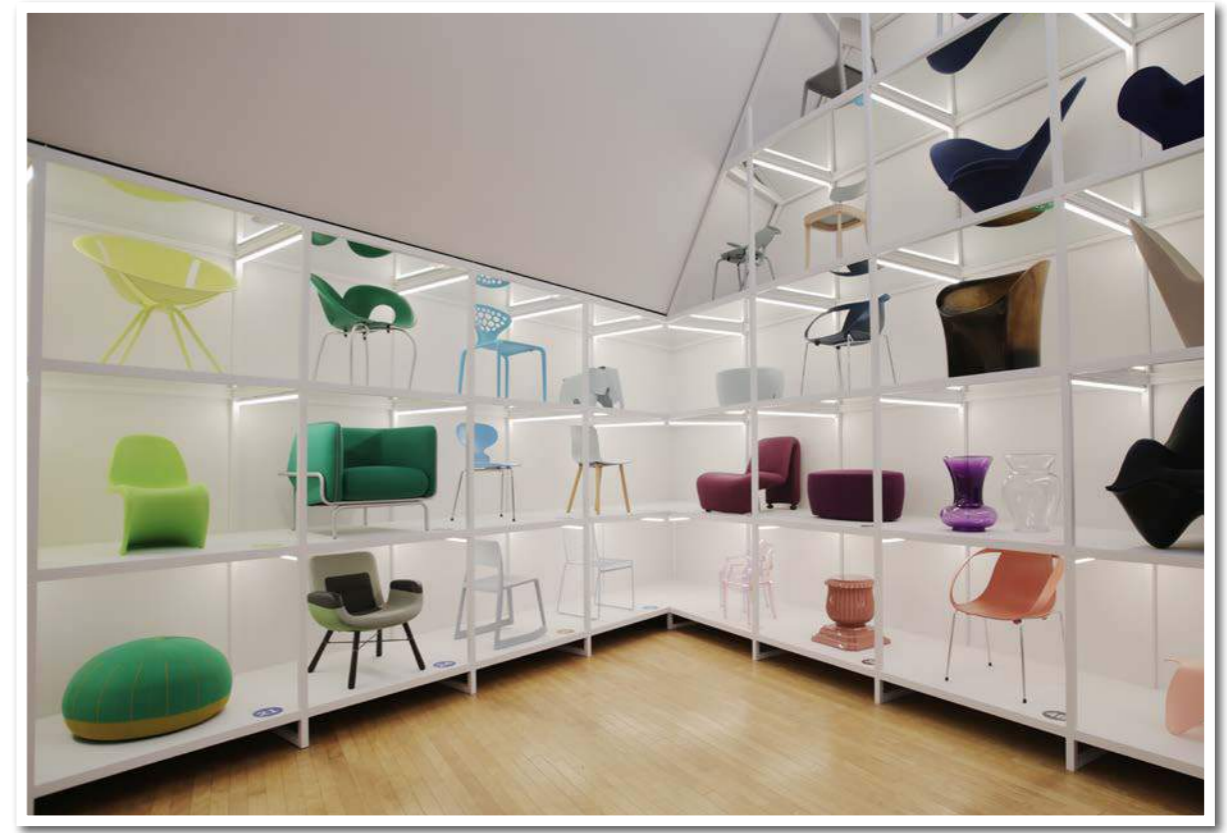


As colour is increasingly used as a means of expressing one's individuality, our choices of colour have become bolder than ever, while its potential to influence our lifestyles is growing constantly.

Through this exhibition, Daelim Museum reveals new value in everyday colours, while presenting innovative possibilities for lifestyle change. Illuminating the creative potential of colour, not simply in terms of its aesthetic beauty but in combination with various forms, materials and technologies, it explores the functional uses of colour and attempts to achieve a perfect balance among structures, materials and designs.

By demonstrating combinations of colour and space, "COLOR YOUR LIFE" awakens the senses to the hidden aesthe-

tics in everyday life, offering a unique chance to experience the boundless possibilities of colour from myriad perspectives.





### Daelim Museum

Located in the historic centre of Seoul, Daelim Museum began its life as Korea's first specialist photography museum and the successor of Hallim Museum in 1996 under the auspices of Daelim Cultural Foundation. Today, it holds exhibitions that not only embrace photography but also expand its own boundaries. Our vision is to function as a museum where the everyday becomes art. As such, we strive to create exhibitions that encourage visitors to enjoy art within everyday life by casting new light on the value of the objects that surround us.

Daelim Museum plans a variety of exhibitions, events and education programs that offer the general public the chance to enjoy art and culture in a fun and intimate manner. In 2016, to mark the 20<sup>th</sup> anniversary of Daelim Museum, the foundation opened D Museum in Seoul's Hannam-dong neighbourhood. The new museum, a larger and modern venue, aims to present new, creative, and progressive exhibitions to provide high-quality cultural and artistic experiences.



#### Exhibition Information

Title: Color Your Life

Date: Thursday, February 25, 2016 – Sunday, August 21, 2016

Venue: Daelim Museum, Seoul

Website: [www.daelimmuseum.org](http://www.daelimmuseum.org)

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The ECCK offers advertisement opportunities for all Chamber publications. All of our publications are distributed to our members, embassies, chambers of commerce, major Korean business associations and media partners, business center and hotel lounges, as well as select governmental organizations.

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For further inquiries regarding advertisement, please contact Ms Jiyun Choi ([jiyun.choi@ecck.eu](mailto:jiyun.choi@ecck.eu); 02-6261-2714).

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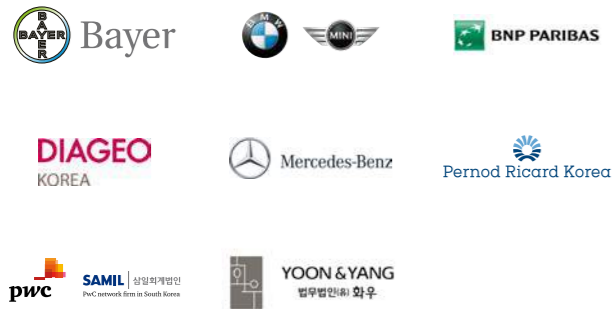
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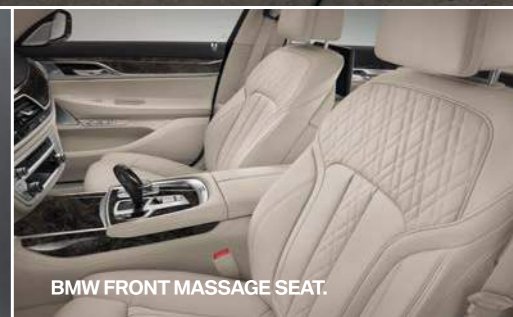
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