

10TH

EDITION
SINCE 2015



2024/25

BUSINESS CONFIDENCE SURVEY

from the European business
community in Korea



EUROPEAN CHAMBER OF
COMMERCE IN KOREA
주한유럽상공회의소



AHK

Korean-German Chamber
of Commerce and Industry
주한독일상공회의소



BCCK
BRITISH CHAMBER OF
COMMERCE IN KOREA



Business Council
DUTCH
KOREA
DBCK



FINNCHAM
Finland Chamber of Commerce and Industry in Korea



ITECK
ITALIAN CHAMBER
OF COMMERCE IN KOREA



SCCK
Spanish Chamber of Commerce in Korea



NBA
Netherlands Business Association



SKBC
SWISS-KOREAN BUSINESS COUNCIL



SPANISH CHAMBER
of Commerce in Korea
주한스페인상공회의소



TURKCHAM KOREA
Turkish Chamber of Commerce in Korea

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Introduction

The European Business in Korea survey aims to provide an annual snapshot of European companies' perceptions, achievements, and challenges in Korea. The first edition of this survey was conducted in 2014.

To ensure consistency—a key factor in the questionnaire's design and data analysis—an online survey platform, similar to previous years, was used for participating companies. This year's survey was conducted from January 22 to February 14, 2025.

The collection of comparable data allows for year-on-year tracking of company strategies and perceptions. All 139 participants answered every question. A detailed breakdown of the survey participants' profiles can be found in the profile section.

This survey was published in partnership with the ECCK, KGCCI, and nine other European chambers in Korea. Led by the European Chamber of Commerce in Korea, the following chambers collaborated to gather the data for this report: the Korean-German Chamber of Commerce and Industry, the British Chamber of Commerce in Korea, the Dutch Business Council Korea, the Finland Chamber of Commerce and Industry in Korea, the Italian Chamber of Commerce in Korea, the Norwegian Business Association, the Spanish Chamber of Commerce in Korea, the Swedish Chamber of Commerce in Korea, the Swiss-Korean Business Council and the Turkish Chamber of Commerce in Korea.

Participating Chambers of Commerce



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Korean-German Chamber
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주한독일상공회의소

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Dutch Business Council Korea



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Executive Summary

Trade between the European Union, the European Free Trade Association (EFTA), and the United Kingdom on one hand, and Korea on the other, has slightly decreased. European exports to Korea fell by 4.7% to USD 74 billion compared to 2023, while Korean exports to these regions remained stable, increasing marginally by 0.8% from USD 75.7 billion to USD 76.3 billion.

This year's Business Confidence Survey gathered insights from 139 companies, revealing a decline in overall business confidence among European firms in Korea. The share of companies satisfied with their performance has steadily decreased from 68% in 2022 to 58% in 2023 and 45% in 2024. Sales trends were mixed: 35% of companies reported increased sales, while 40% saw no significant change. However, profitability has weakened. Only 27% of companies achieved EBIT (Earnings Before Interest and Tax) increase of more than 5% in 2024, a notable decline from 42% in 2023 and 54% in 2022. Market share dynamics also indicate a challenging environment. 62% of companies reported no change in their market share in 2024, while only 24% experienced growth – down from 38% in 2023 and 53% in 2022. Meanwhile, 19% of companies generated more than 10% of their global revenue in Korea, while 73% generated less than 5% of their revenues in Korea.

The business outlook for the next two years is mixed. While most companies expect slightly improved sales, overall sentiment toward Korea's significance in global strategies is declining. Only 36% of respondents anticipate Korea's importance growing, down from 53% in 2023 and 59% in 2022. When assessing the business environment, 56% of companies believe that market conditions in Korea remain as fair as they were two years ago. However, 17% report that government policies have negatively impacted foreign businesses, while only 6% noted positive effects. Looking ahead, 16% of respondents anticipate a negative impact on foreign companies from future policies, compared to 12% expecting a positive influence. Meanwhile, 48% do not expect the Korean government to implement meaningful reforms, while 17% remain optimistic about potential improvements.

While challenges persist, European companies in Korea continue to identify opportunities for growth and investment. More than half of the companies plan to invest in employment this year, followed by 22% allocating investments to facilities and 12% to R&D. The majority of companies (64%) have maintained the same level of permanent positions, while 27% increased their workforce and 9% reduced it. Over the next two years, 43% intend to maintain their current workforce, while 44% plan to expand it.

Staff turnover remained relatively low, with 61% of companies experiencing a turnover rate below 10% and 22% reporting a turnover between 10% and 20%. In terms of salaries, 55% of companies raised wages, while 43% maintained the same level. For this year, 54% expect salaries to remain unchanged, whereas 42% plan to increase them.

Companies have also embraced flexible work policies, with encouragement of leave usage, flextime, and remote work being the most widely applied measures to enhance employees' work-life balance.

Despite concerns about regulatory consistency, areas such as customs, tax procedures, and openness to foreign goods and services received relatively high ratings, indicating that Korea remains an attractive and viable market for European firms. As Korea continues to adapt to global trends, businesses that strategically navigate the evolving landscape can still find meaningful opportunities for success.



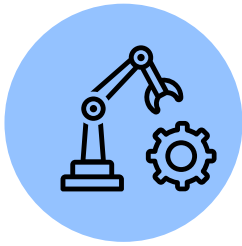
PROFILE

WHO ARE THE
RESPONDENTS

What industry is your company active in?

18% of respondents classified their companies under "Machinery," making it the largest category. This was followed by non-legal professional services, automotive, and agri-food sectors. Other responses included construction, IP management, semiconductors, and executive search firms.





Machinery



(Non-legal)
Professional
Services



Automotive &
Auto-Components



Agriculture,
Food & Beverage



Aerospace and
Defence



Transportation,
Logistics, &
Distribution



Financial Services



Civil Engineering &
Construction



Pharmaceuticals &
Medical devices



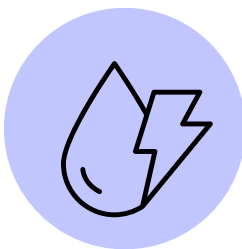
Hospitality, Travel
& Tourism



Retail



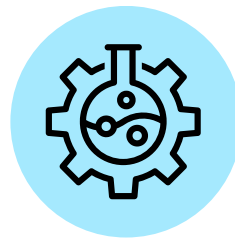
IT &
Telecommunications



Utilities, Primary
Energy, & Other
Commodities



Education



Chemicals &
Petroleum



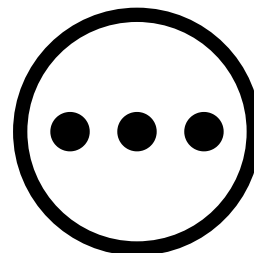
Fashion & Textile



Cosmetics



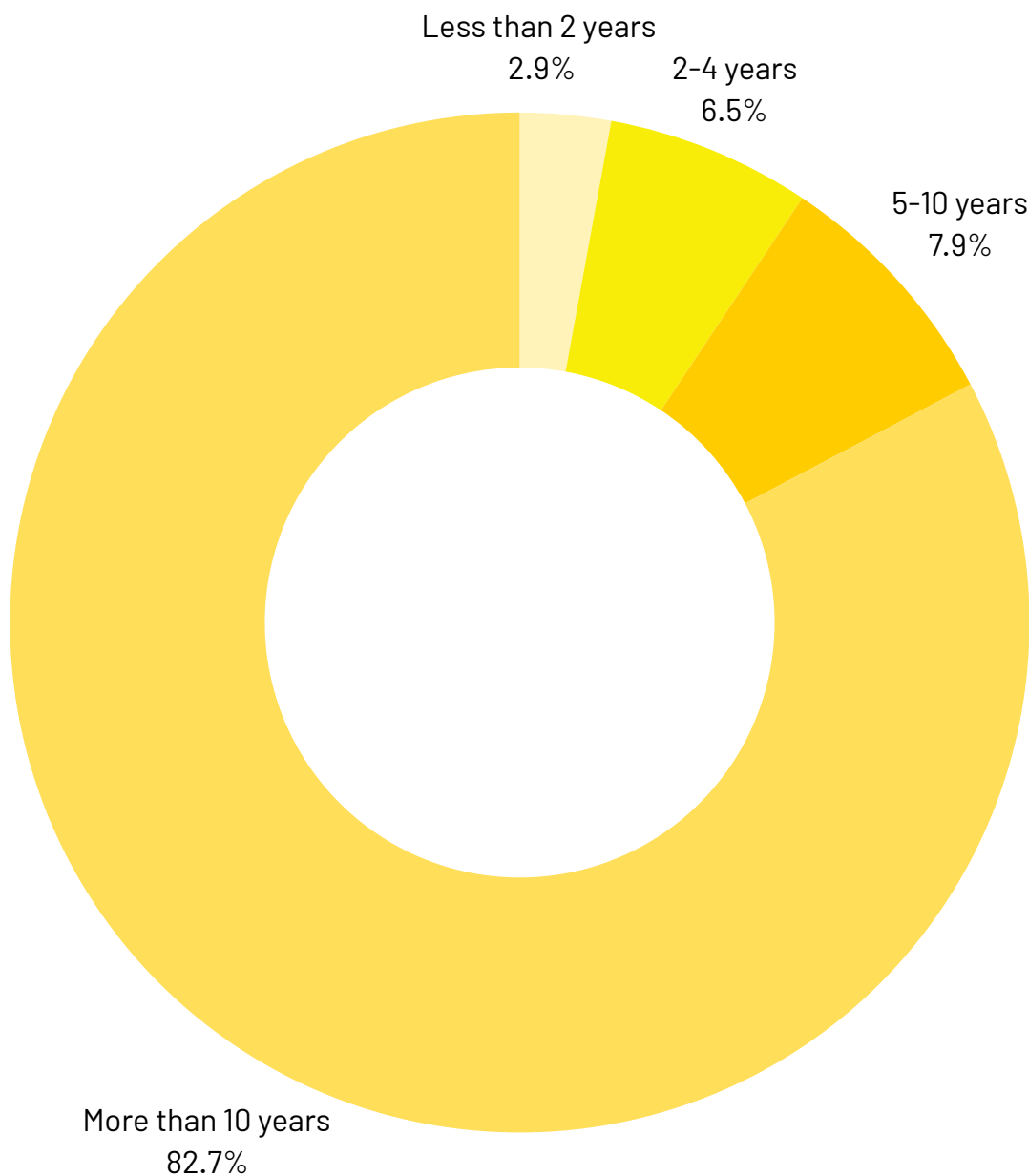
Legal Services



Others

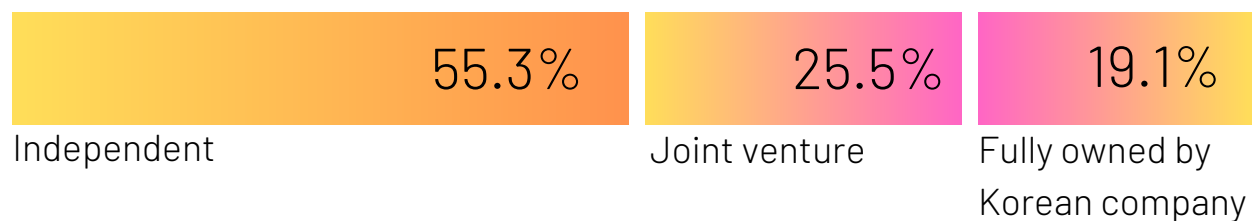
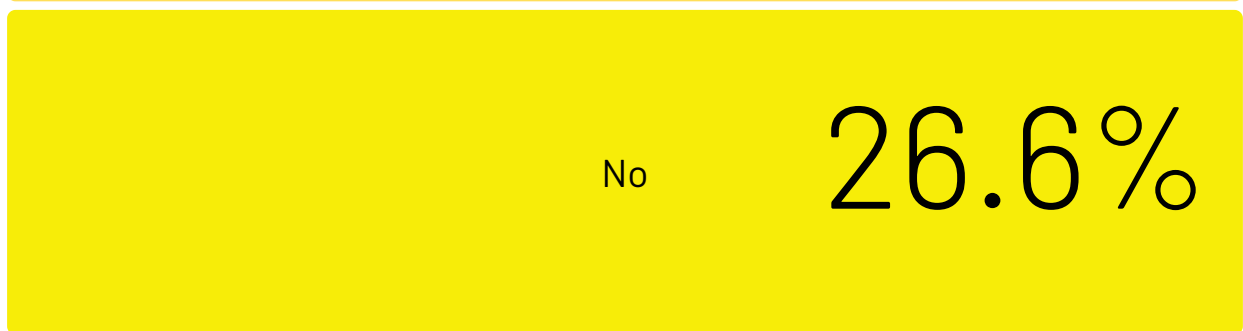
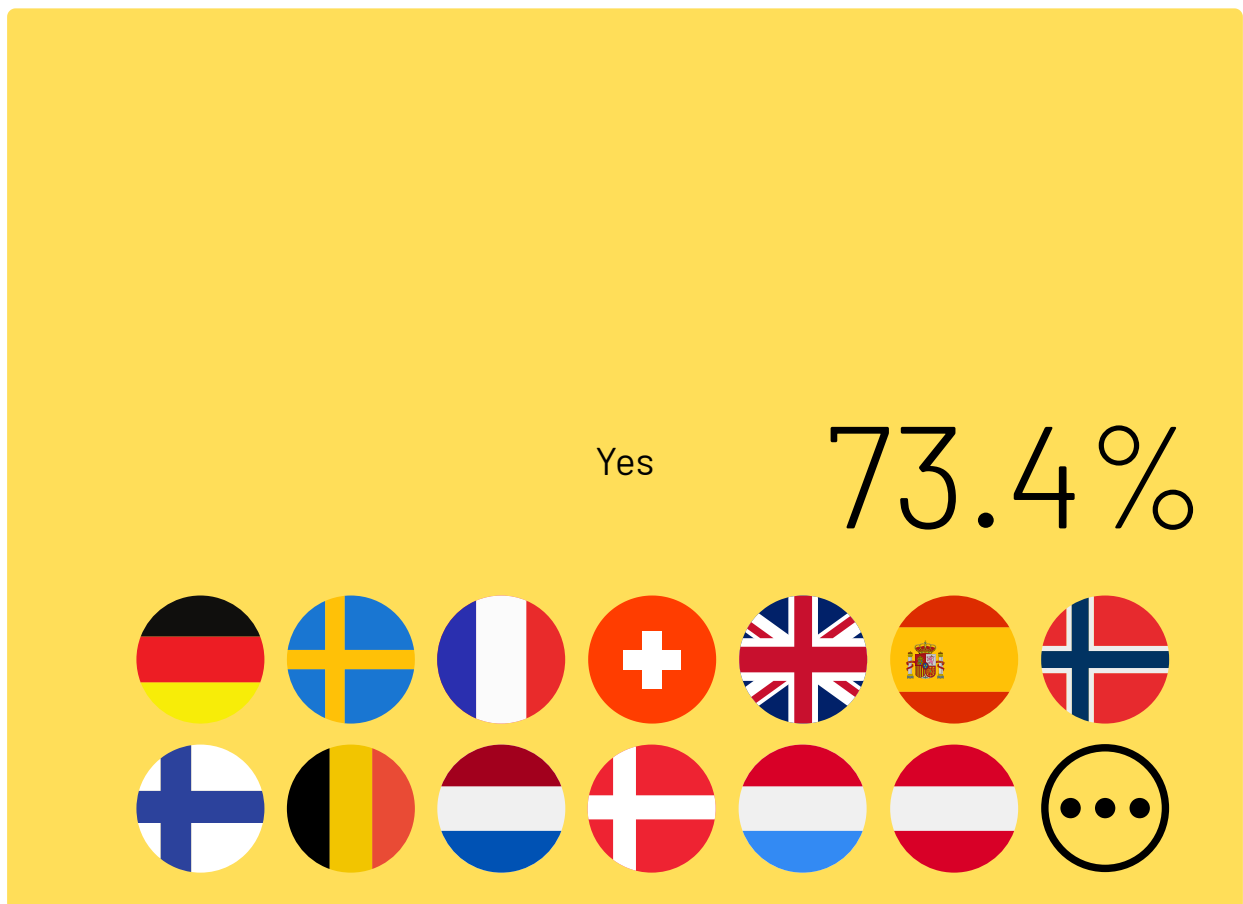
How long has your company been operating in Korea?

83% of respondents indicated that they have been active in the Korean market for over ten years, demonstrating a trend of stable and long-term engagement.

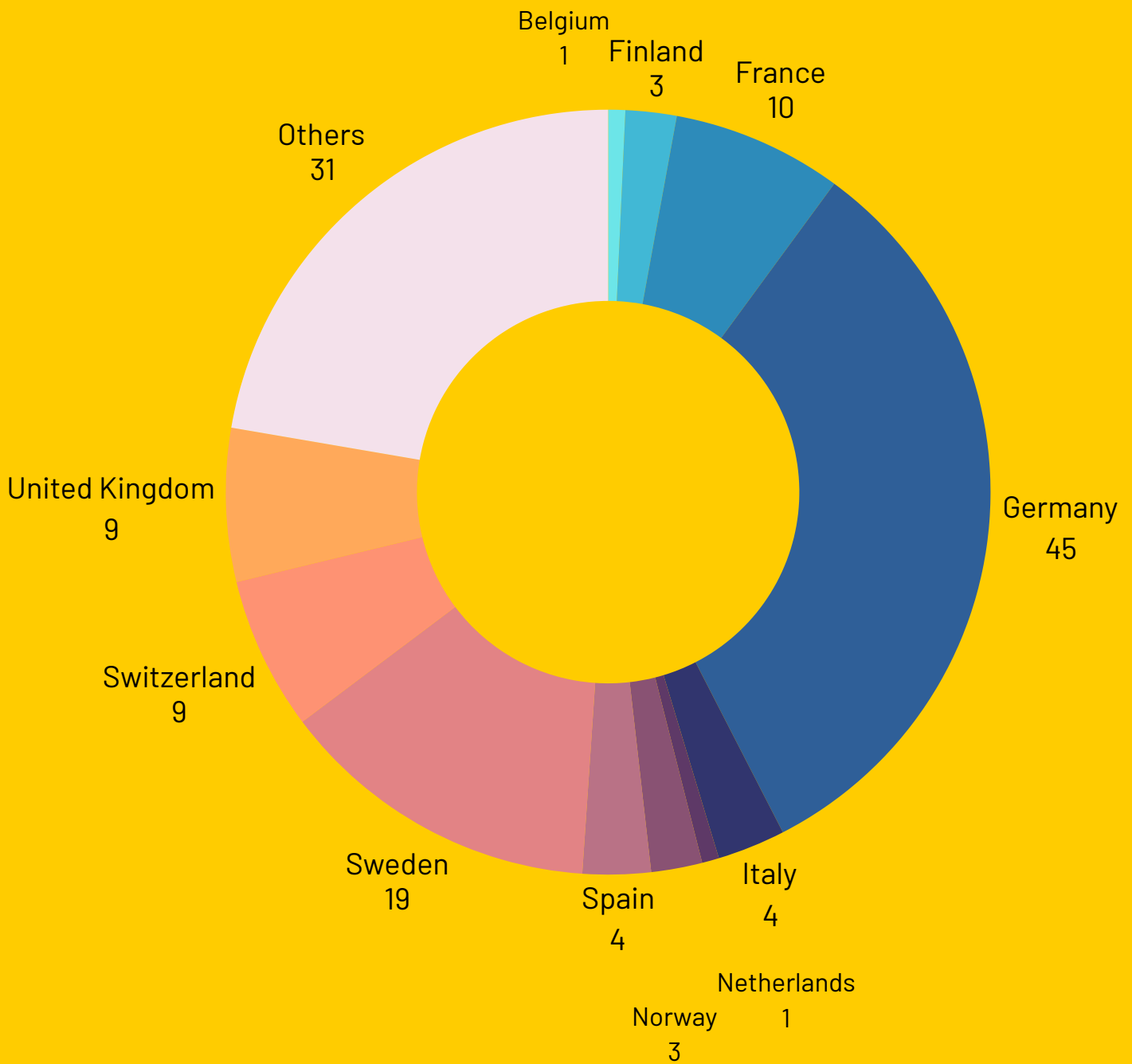


Is your company fully owned by a European company?

Meanwhile, 73% of respondents reported having a parent company based in Europe, accounting for the majority. Among the 27% without a European parent company, 55% identified as independent, 26% as joint ventures, and 19% as Korean companies.



Details of Nationals Among "Yes" Responses:



Does your company have its...

78% of respondents stated that they operate sales channels (online/offline) in Korea, while 25% reported having R&D facilities. Additionally, 30% indicated they have manufacturing facilities – illustrating that a significant proportion of European companies are actively contributing to the local economy through various business activities.

...own sales online/offline outlet in Korea?



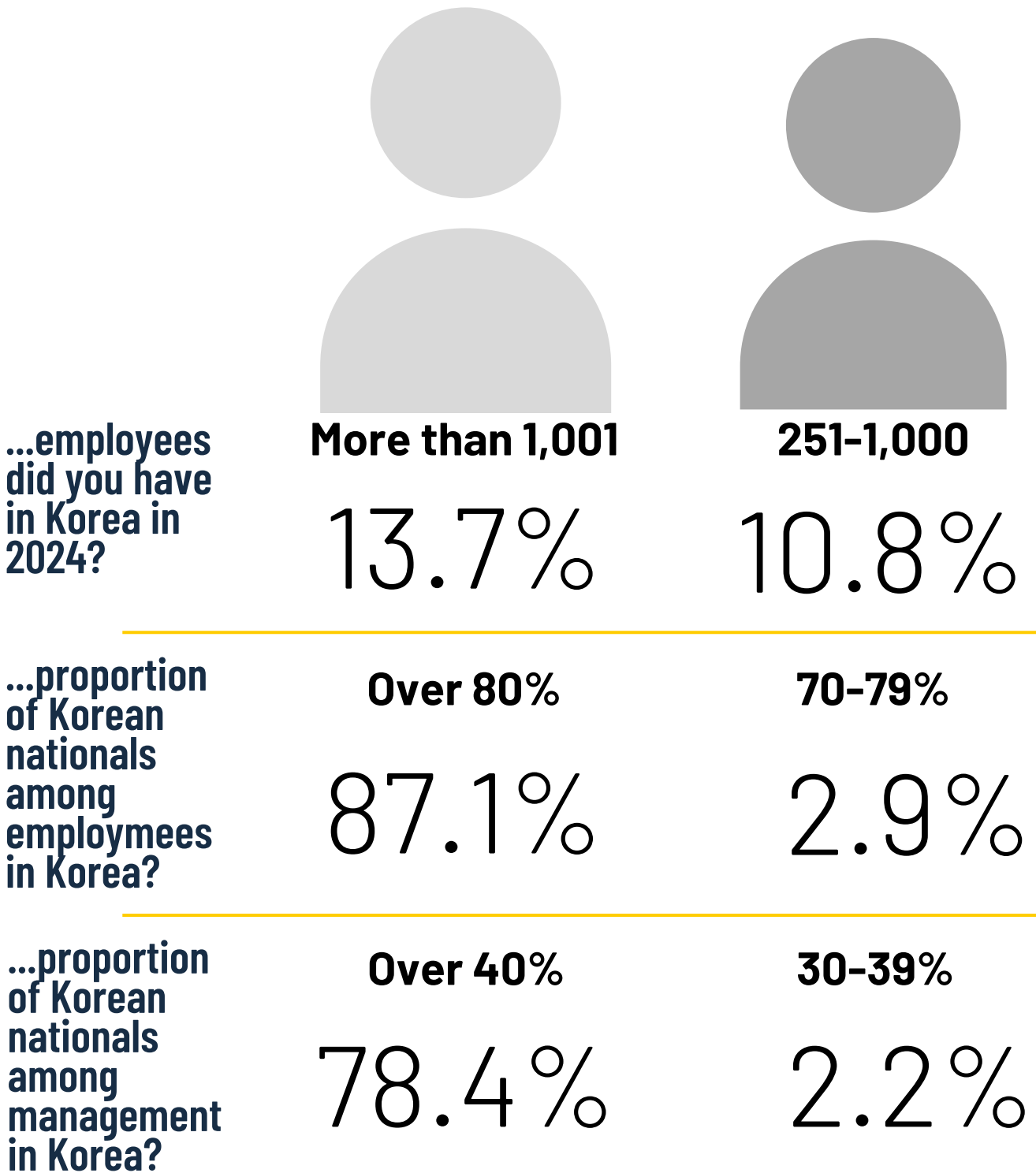
..R&D facilities in Korea?



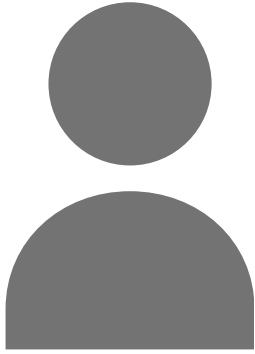
...production facilities in Korea?



How many...

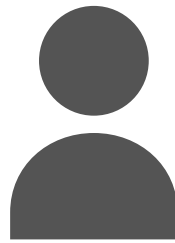


In terms of employment size, 43% of respondents reported having fewer than 50 employees. Meanwhile, 25% indicated that they employ more than 250 people, demonstrating a significant presence of mid-to-large-scale companies.



50-250

32.4%



Less than 49

43.2%



60-69%

0%

50-59%

4.3%

Below 50%

5.8%

20-29%

4.3%

10-19%

0.7%

Below 10%

14.4%

Additionally, the majority of respondents (87%) stated that Koreans account for over 80% of their total workforce. Among these companies, 78% reported that more than 40% of their executives are Korean, reflecting a strong commitment to enhancing corporate competitiveness by hiring local talent.

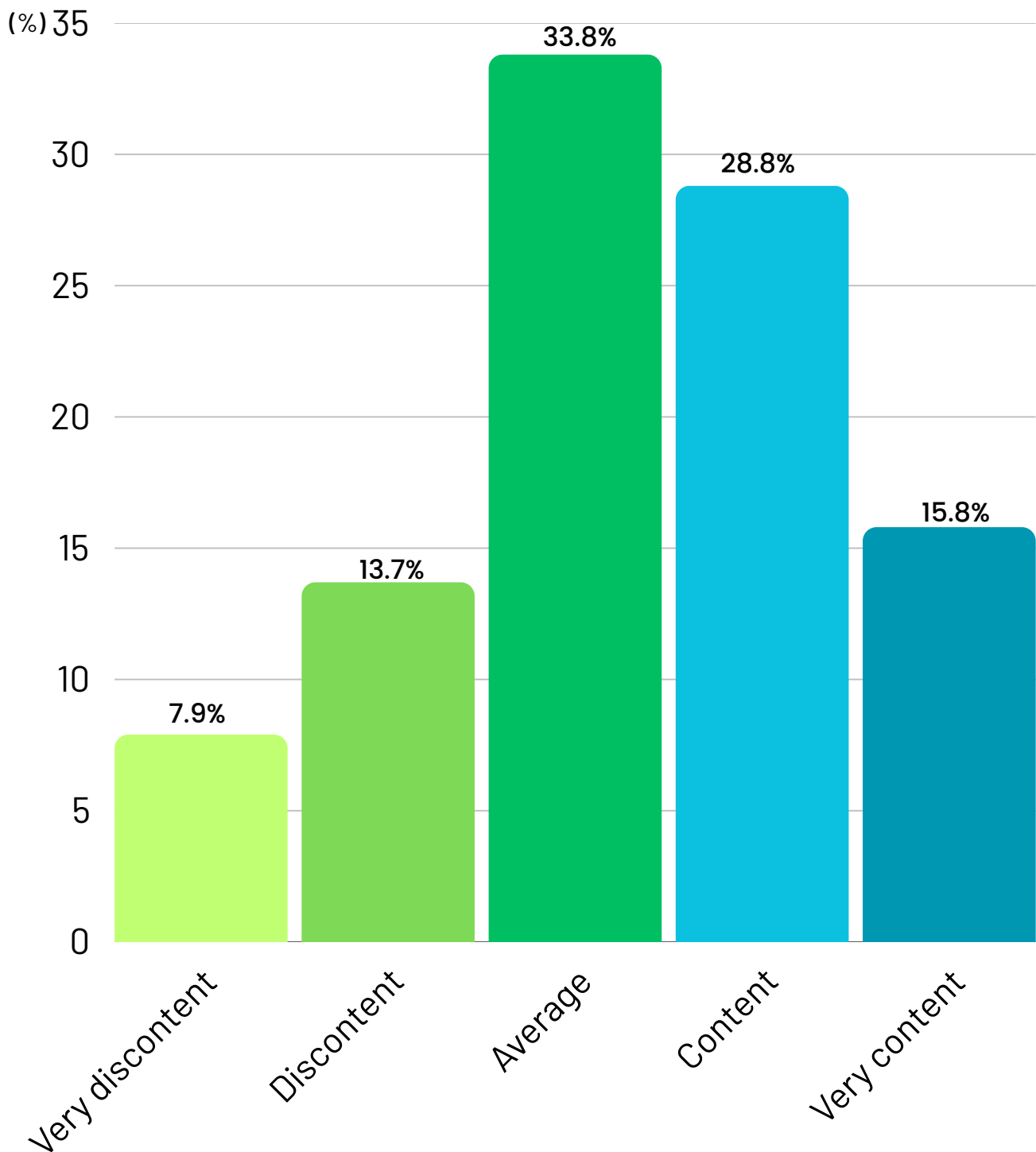
BUSINESS DEVELOPMENT

WHAT WE
HAVE DONE
IN 2024

2024

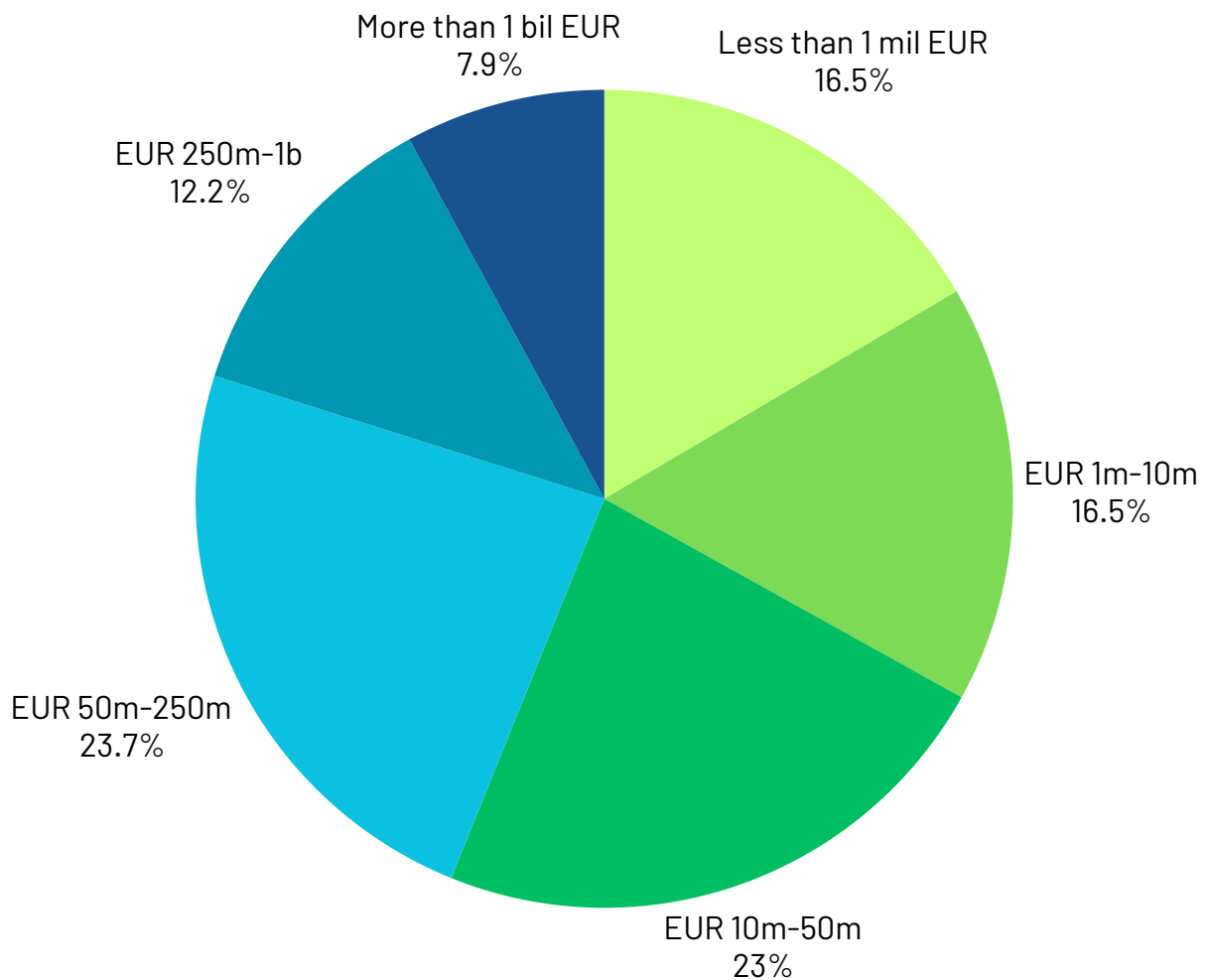
How do you rate your company's performance in Korea in 2024?

The share of companies satisfied with their performance has steadily declined from 68% in 2022 to 58% in 2023 and 45% in 2024. In the 2024 assessment, the largest group (34%) rated their performance as 'average.' Positive responses ('Content' 29% + 'Very Content' 16%) totaled 45%, significantly outweighing negative responses ('Discontent' 14% + 'Very Discontent' 8%) at 22%.



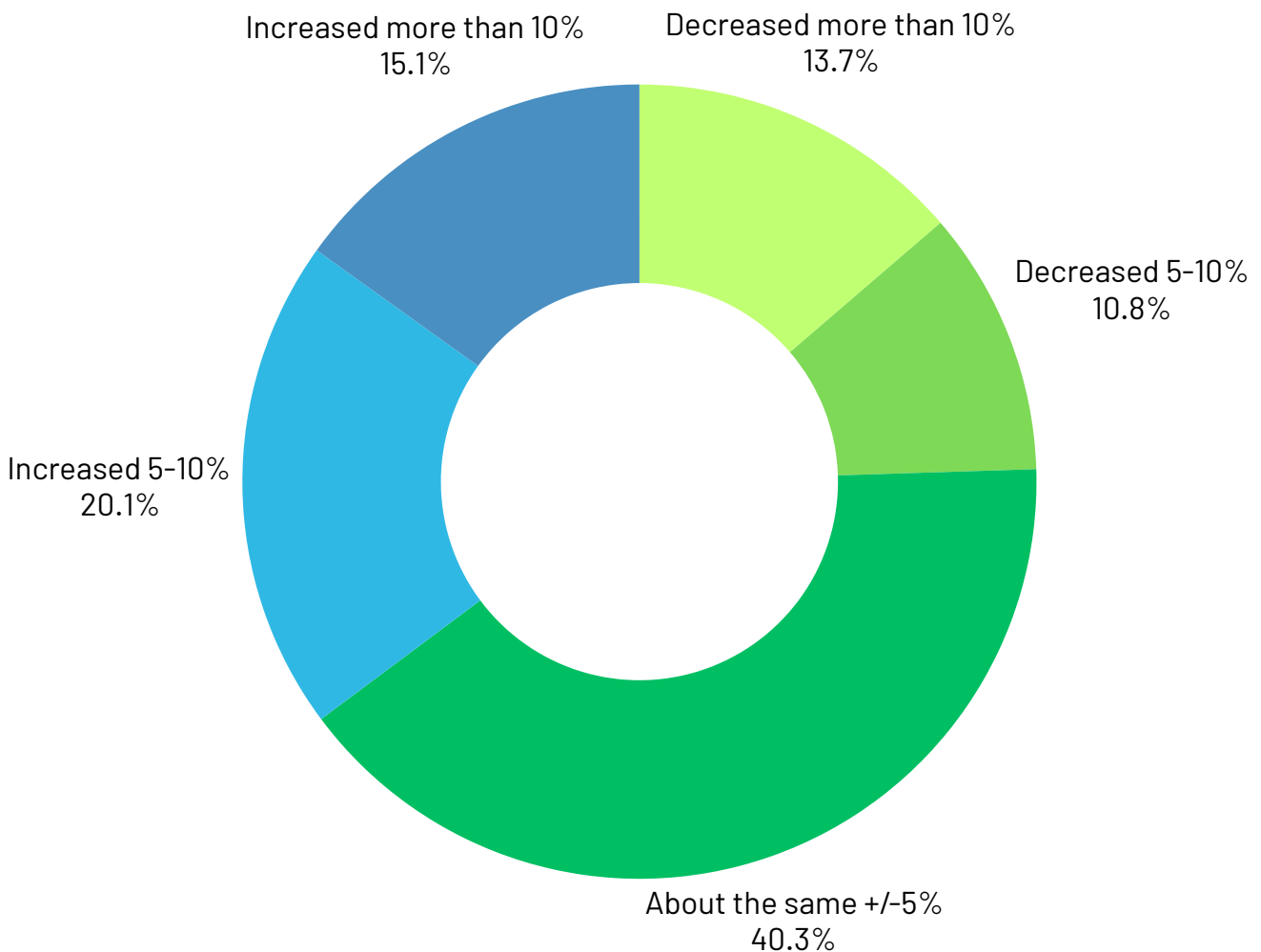
What was your company's total revenue in Korea in 2024?

In terms of total company revenue, 8% of respondents reported earnings exceeding €1 billion, while 12% fell within the €250 million to €1 billion range. A further 24% reported revenues between €50 million and €250 million. Meanwhile, 23% of companies indicated revenues of €10 million to €50 million. Lastly, 17% of respondents reported revenues of €1 million to €10 million and below €1 million, respectively.

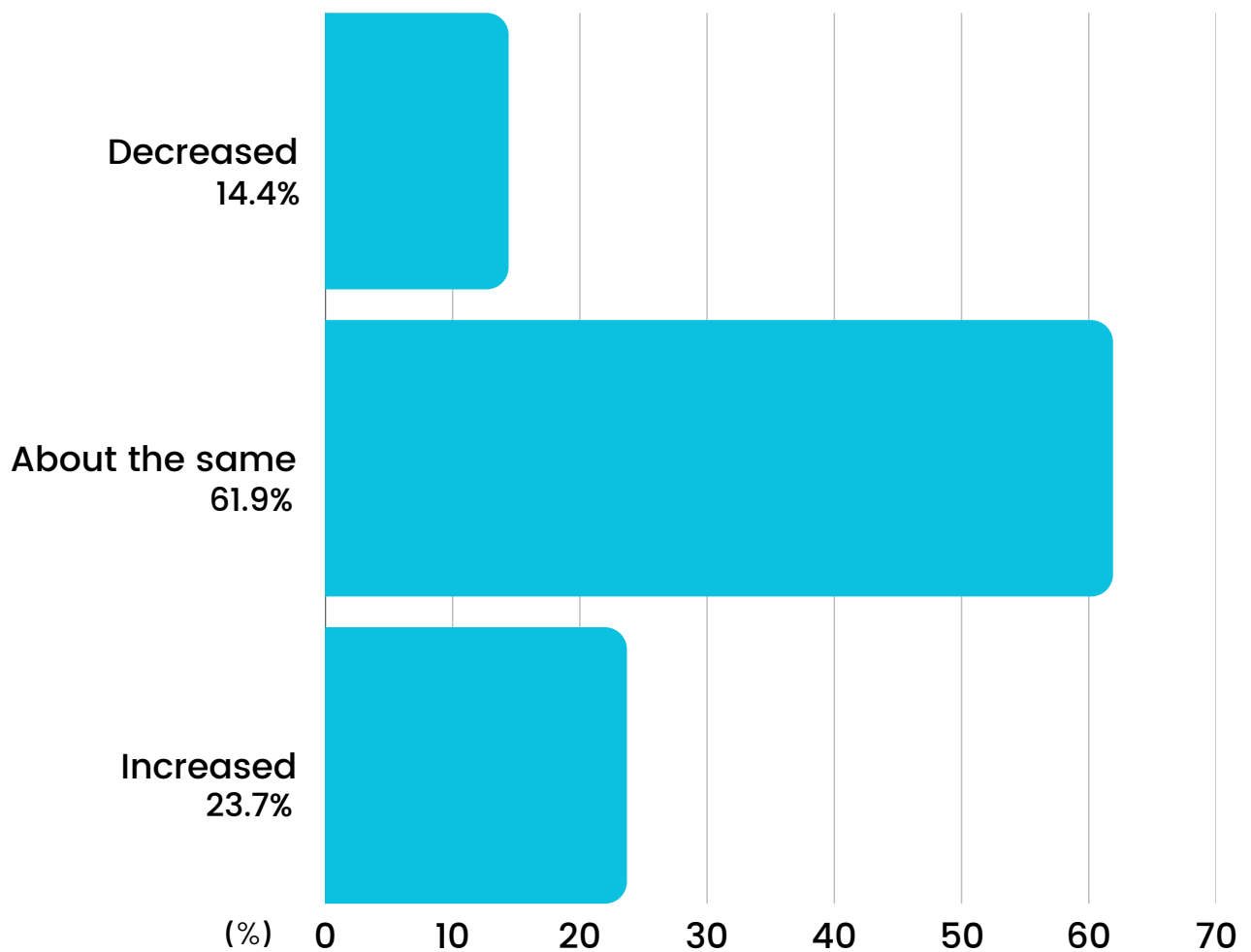


How did your company's sales in Korea change in 2024 compared to that of 2023?

Regarding 2024 revenue, the largest proportion of respondents (40%) reported no significant change compared to 2023. Meanwhile, 35% indicated an increase, which was approximately ten percentage points higher than the 25% who reported a decline. This points to a modest upward shift in business sentiment.



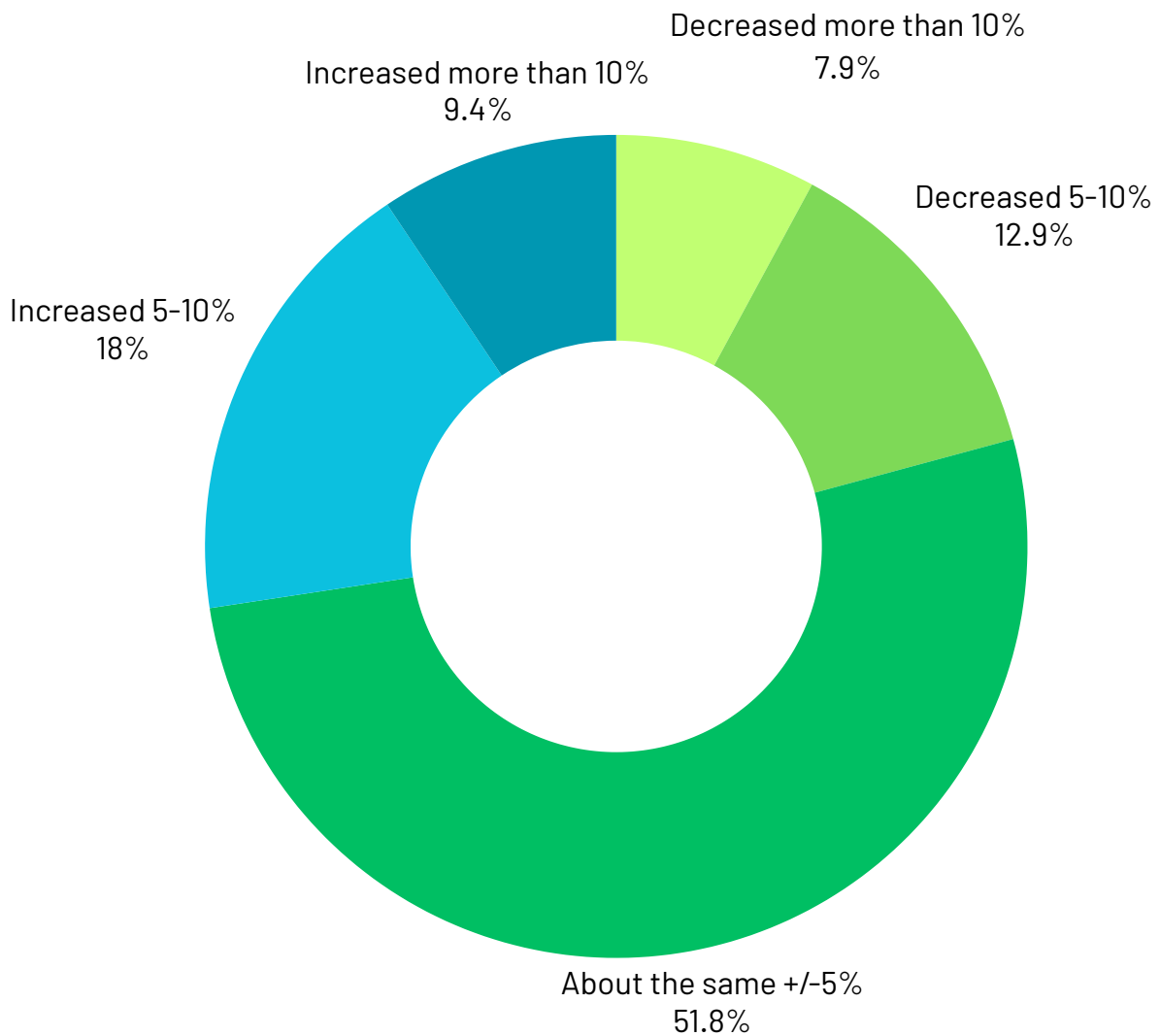
How did your market share in Korea evolve in 2024 versus 2023?



Market share dynamics also indicate a challenging environment. In 2024, 62% of companies reported no change in their market share, while only 24% experienced growth – a decline from 38% in 2023 and 53% in 2022. Meanwhile, 14% reported a decrease in market share in 2024.

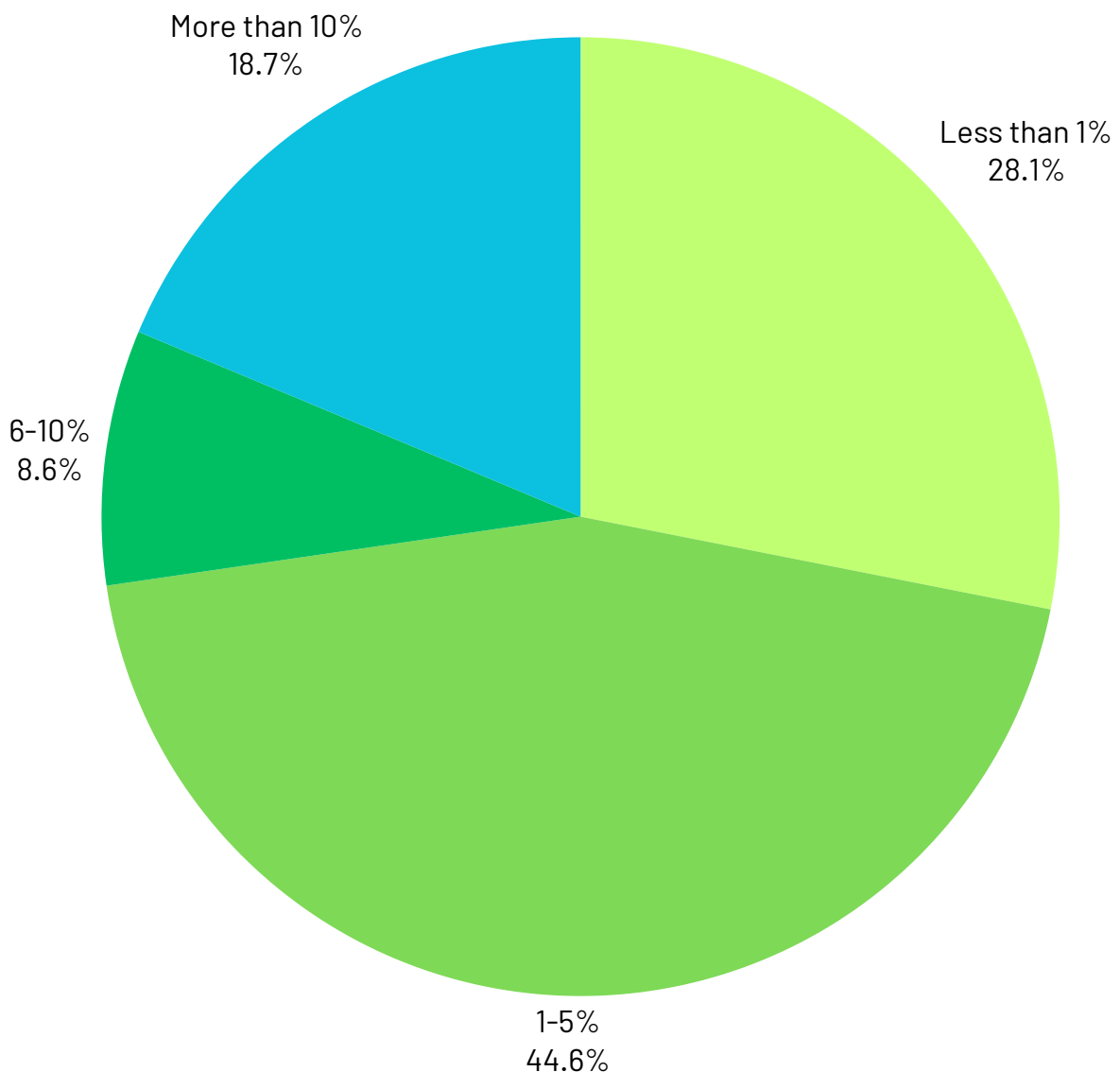
How was your company's EBIT margin in Korea for 2024 compared to 2023 results?

As a result, 52% of respondents reported that their EBIT (Earnings Before Interest and Tax) margin remained relatively stable within a $\pm 5\%$ range. Meanwhile, 27% indicated an increase, while 21% reported a decrease. Only 27% of companies achieved EBIT increase of more than 5% in 2024, a notable decline from 42% in 2023 and 54% in 2022.

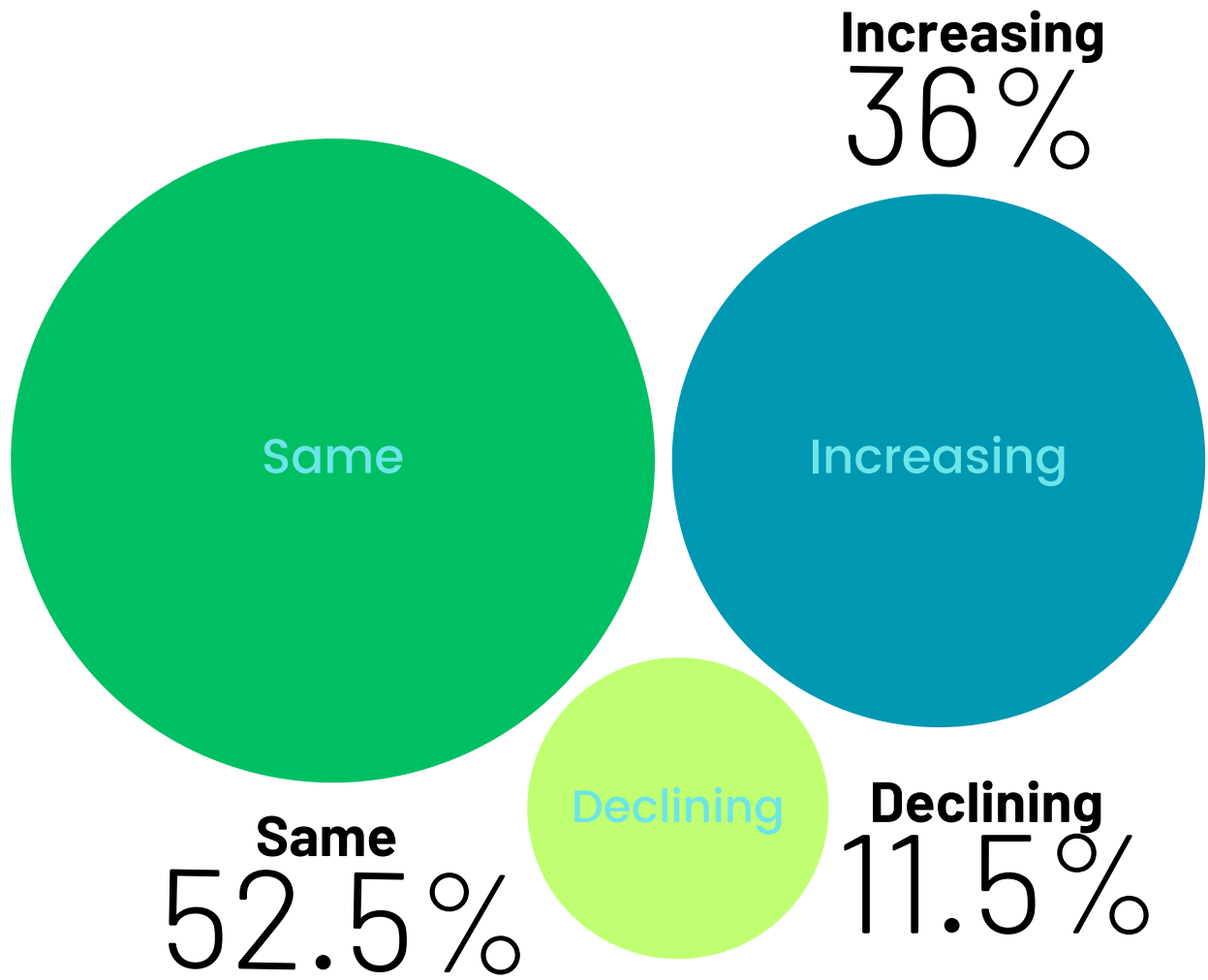


What proportion of global revenue was generated in Korea in 2024?

The proportion of revenue generated from the Korean market relative to total global revenue remains relatively modest, indicating significant growth potential. Only 19% of respondents reported that Korea accounts for more than 10% of their global revenue, while 9% indicated a share of 6–10%. The largest segment (45%) reported a share of 1–5%, while 28% stated that Korea contributes less than 1%.



How would you characterize the importance of Korea in your company's overall global strategy?



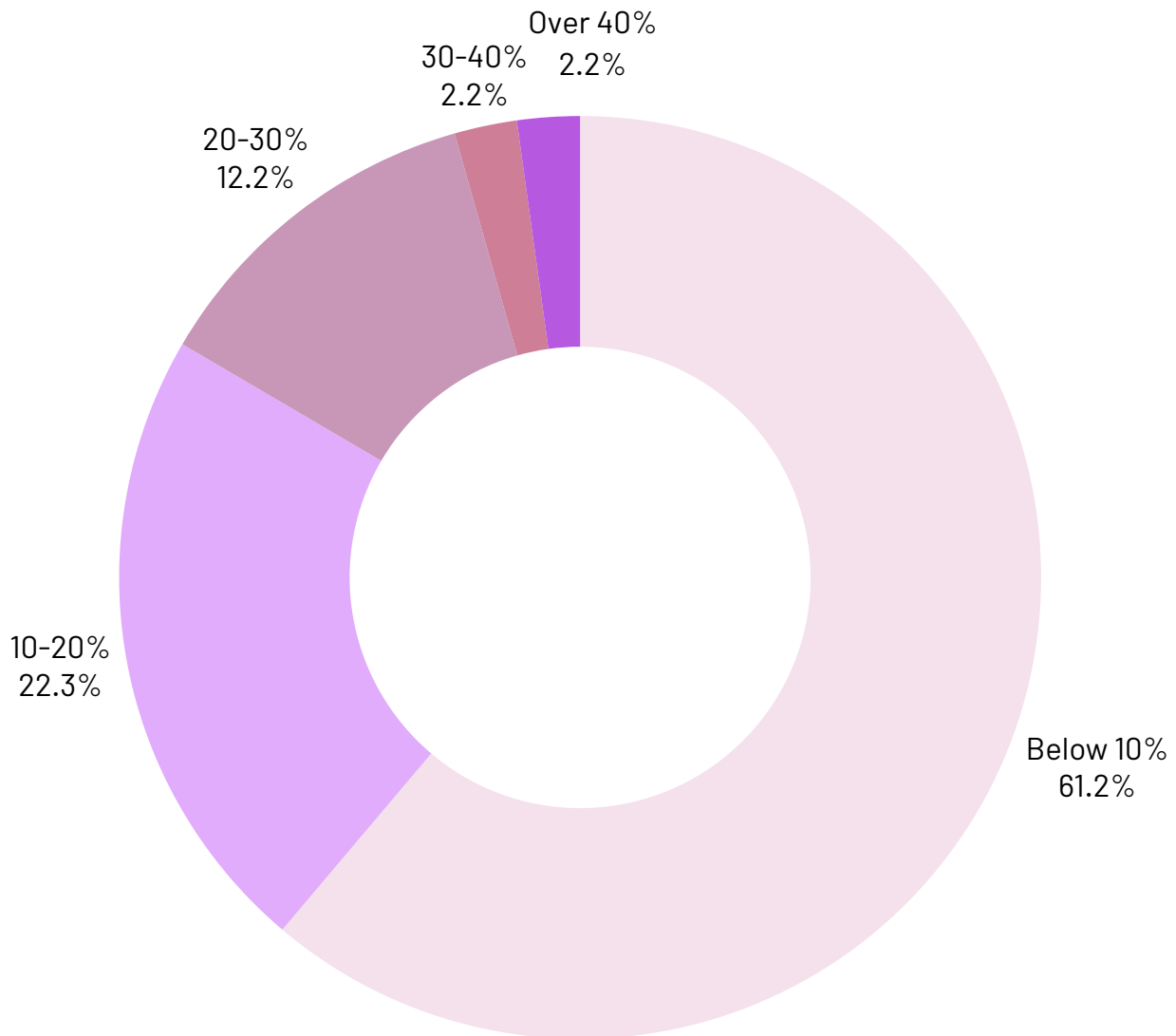
When asked about changes in the strategic importance of the Korean market within their overall global strategy, 53% of respondents indicated no change. Meanwhile, 36% reported an increase in importance, while 12% noted a decline. These results reaffirm a generally positive outlook on Korea's market potential.

HR

WHAT WE
HAVE DONE
IN 2024

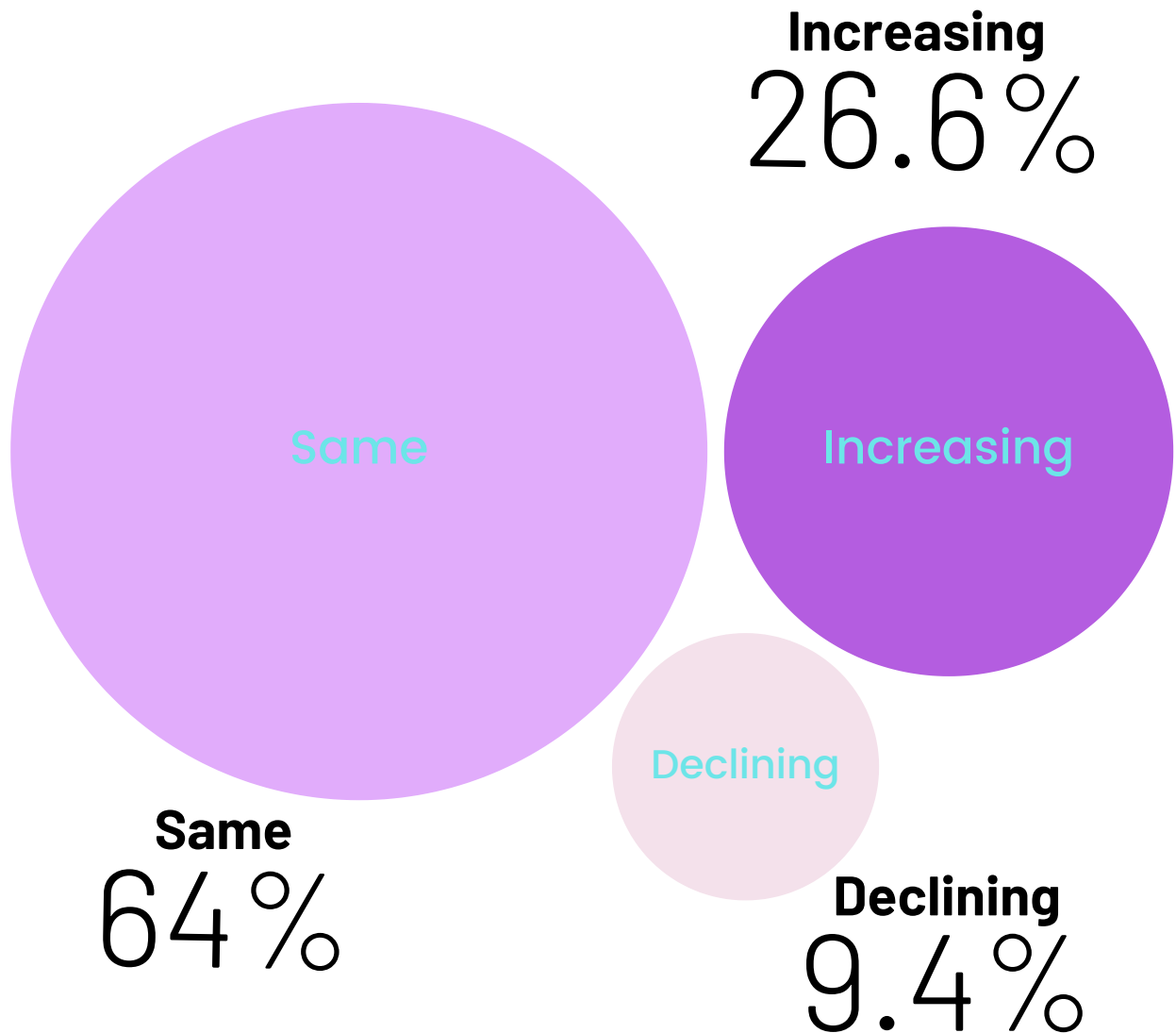
2024

What was the level of your staff turnover in Korea in 2024 compared to that of 2023?



When asked about the level of staff turnover, 61% of respondents reported a variation of less than 10%, while 22% indicated a change of 10–20%, 12% reported 20–30%, 2% noted 30–40%, and 2% stated a change of more than 40%. This suggests that European companies in Korea tend to demonstrate overall stability in their full-time employment, as explored in more detail on the following page.

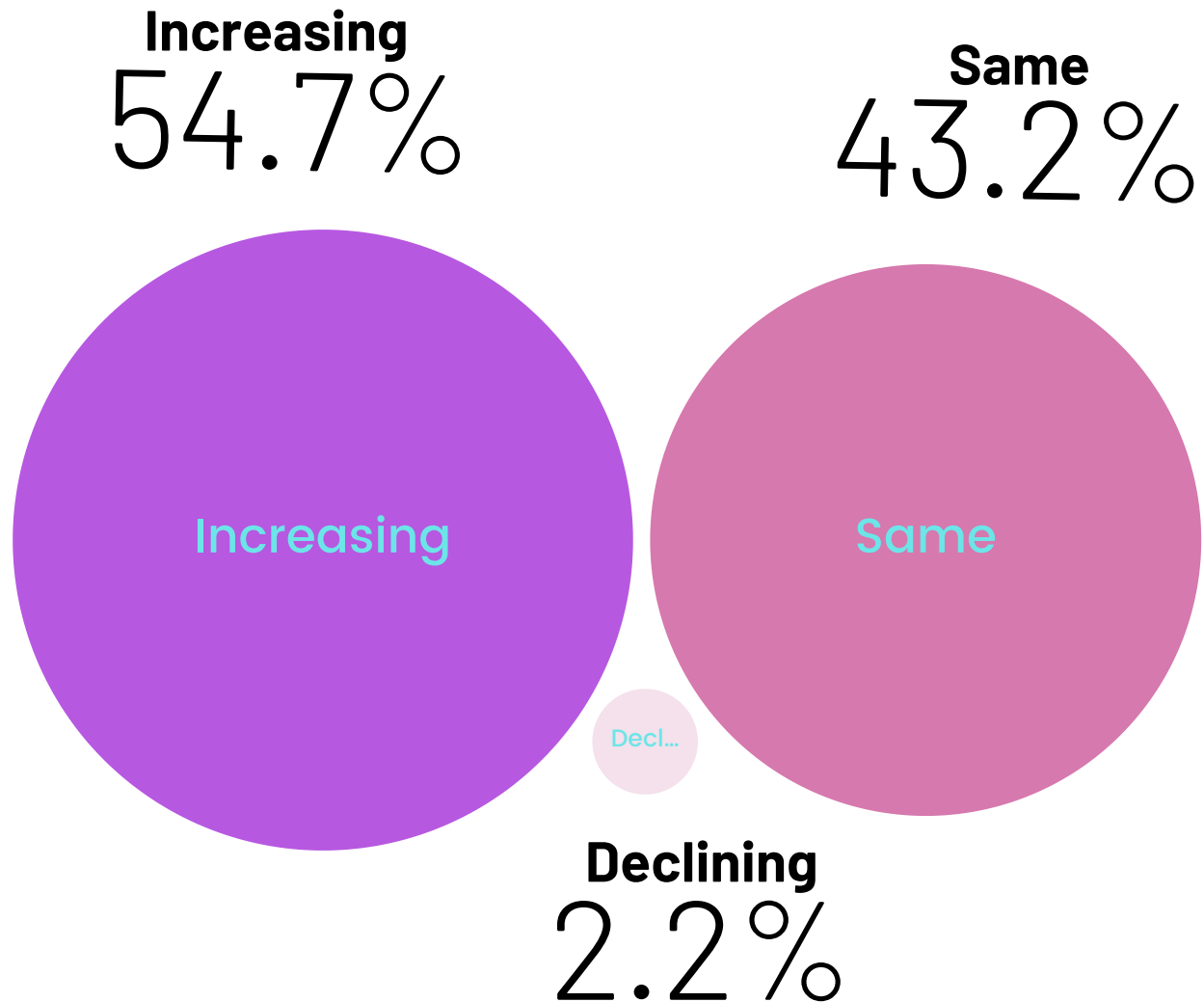
How did the level of permanent positions in your company in Korea change in 2024 compared to that of 2023?



To gain deeper insight into employment trends, respondents were asked about the rate of permanent positions in 2024 compared to 2023. The majority (64%) reported no change, while 27% indicated an increase in the proportion of permanent staff, and 9% noted a decrease.

How have salaries in your company changed in 2024 compared to 2023?

taking into account the inflation rate of 2.3%



Meanwhile, the majority of responding companies reported that salary adjustments accounted for inflation, with 43% indicating no change and 55% stating that salaries had increased.

What types of policy has your company implemented to further develop the working environment?

(Select all that apply)

When asked about employee benefits beyond salaries, the most widely implemented policy was encouraging the use of paid leave (99). This was followed by flexible working hours (85), remote work (83), and schedule adjustments (37). Some respondents also mentioned a 35-hour workweek as an additional policy.

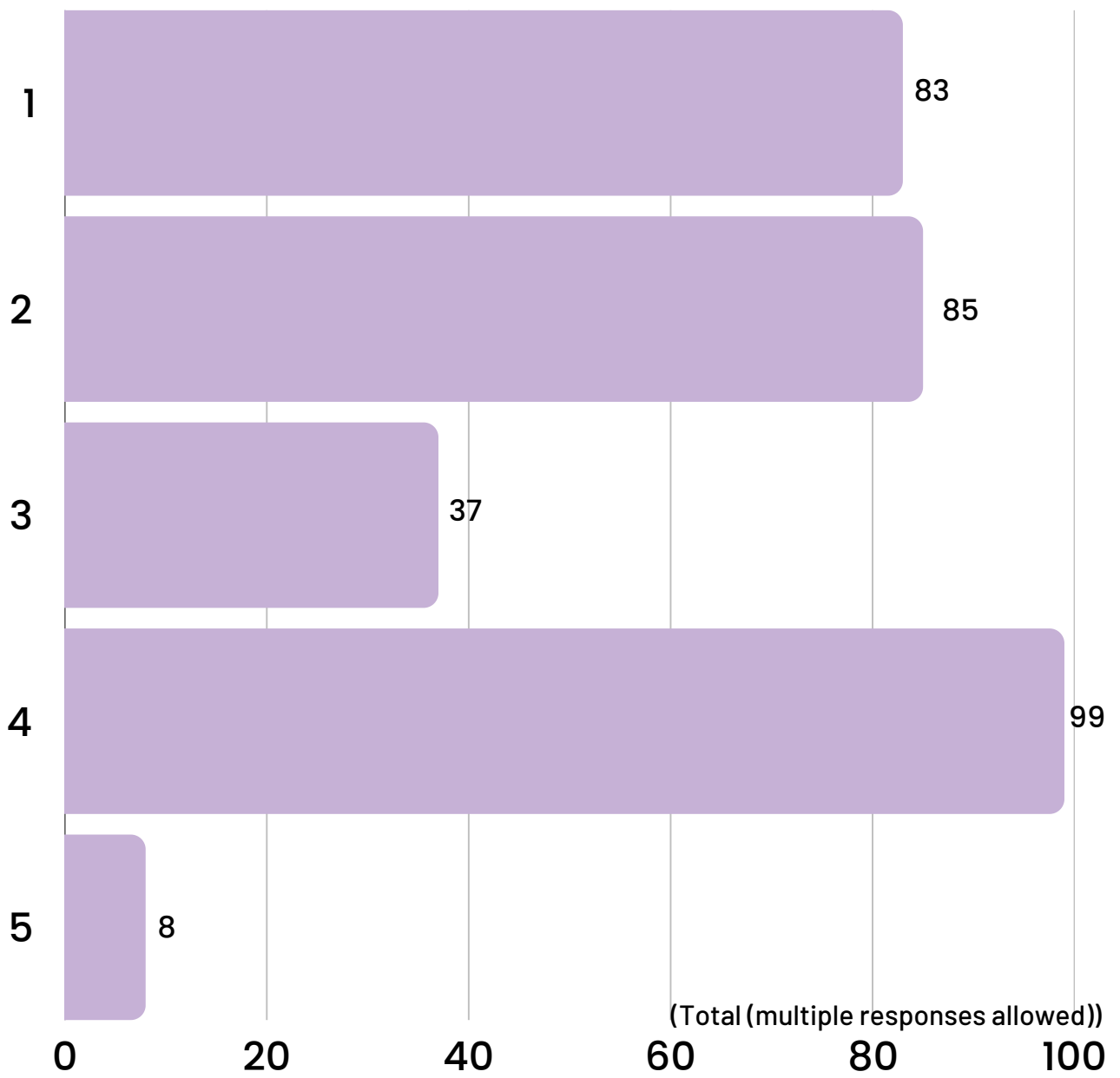
1-Work-from-home (remote work) policies

2-Flextime policies (e.g., staggered working hours)

3-Flexible working arrangements (e.g., compressed workweeks)

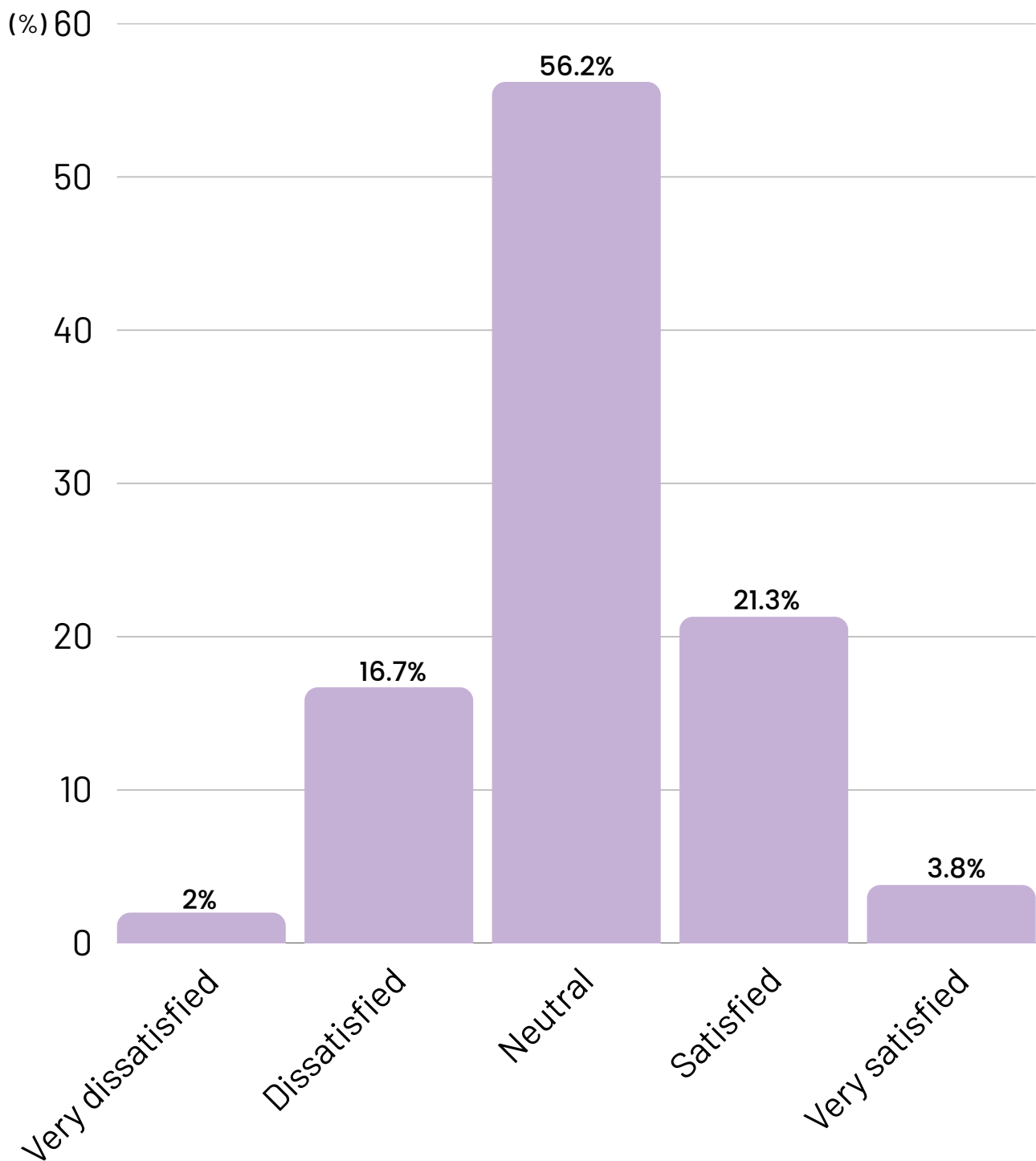
4-Encouragement of leave usage (e.g., annual leave, half-day leave, hourly leave, maternity leave, parental leave)

5-Other (please specify)



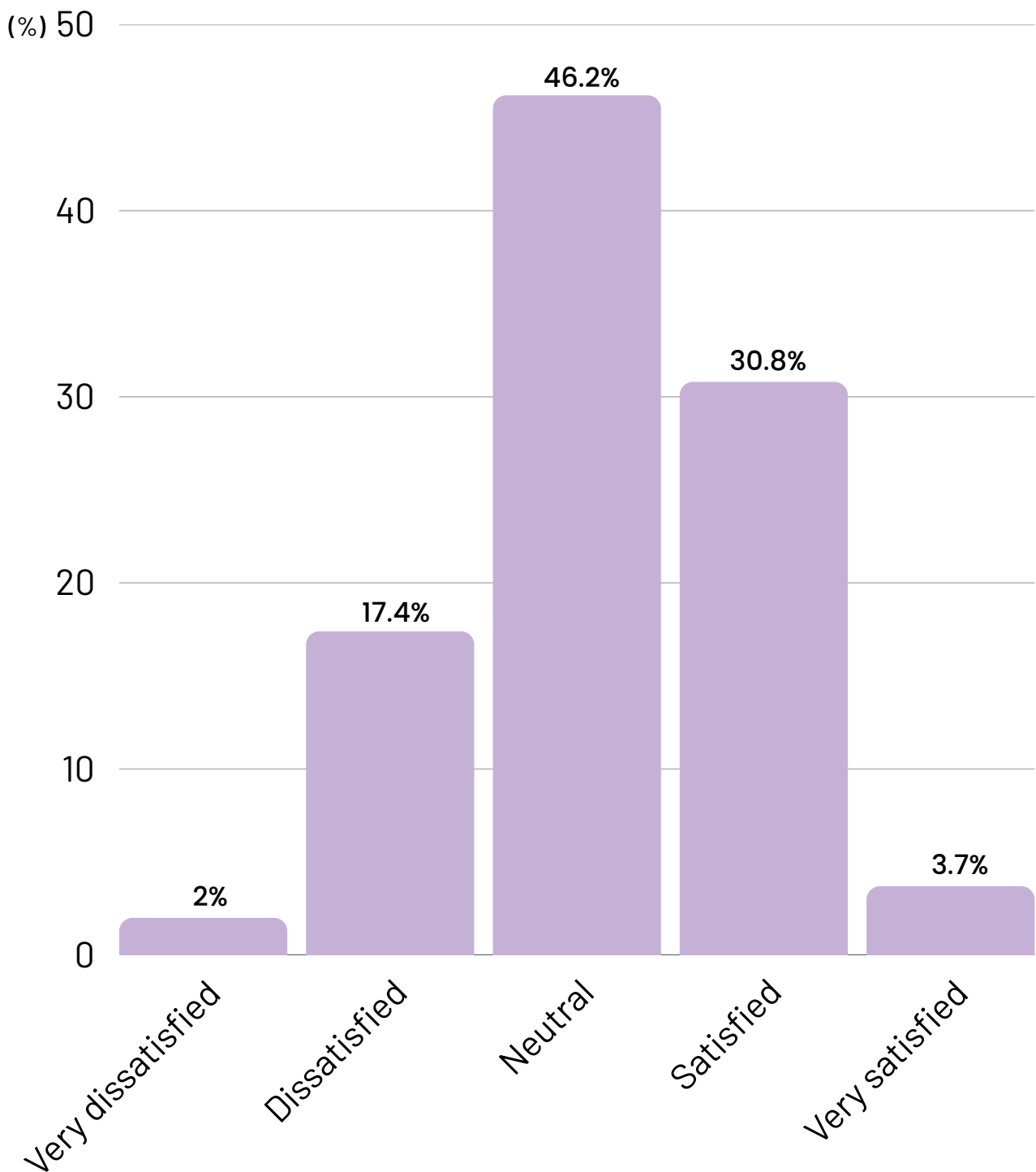
How satisfied are you with labour costs in Korea?

When asked about wage levels in Korea, respondents' views were generally neutral to positive. While 2% were very dissatisfied and 17% dissatisfied, the majority (56%) remained neutral. Meanwhile, 21% expressed satisfaction, and 4% were very satisfied, indicating an overall moderate level of contentment with wage levels.



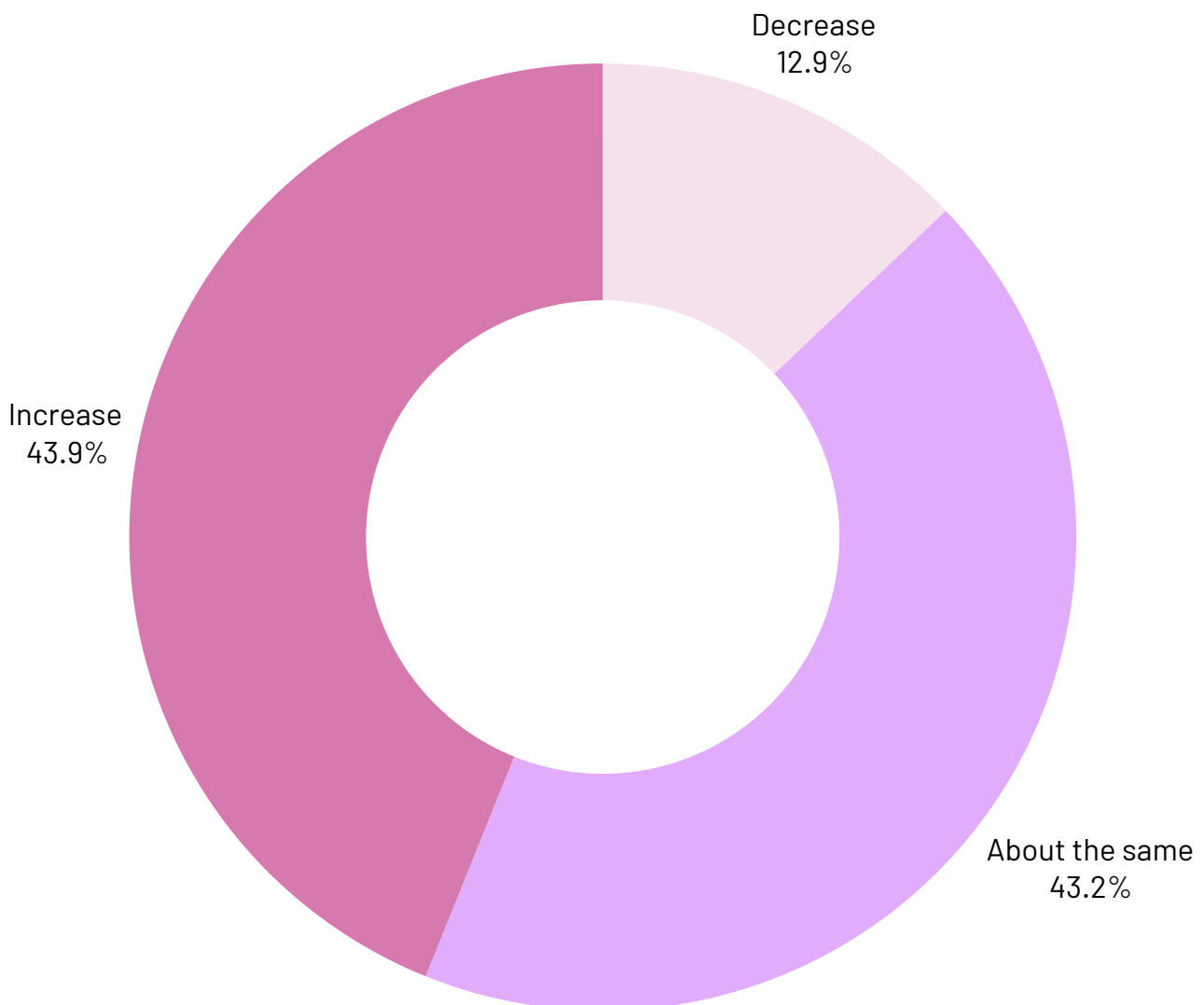
How satisfied are you with labour relations in Korea?

A similar response distribution was observed for labor relations. While 2% of respondents were very dissatisfied and 17% dissatisfied, 46% remained neutral. Meanwhile, 31% expressed satisfaction, and 4% were very satisfied, indicating a generally balanced perception of labor relations.



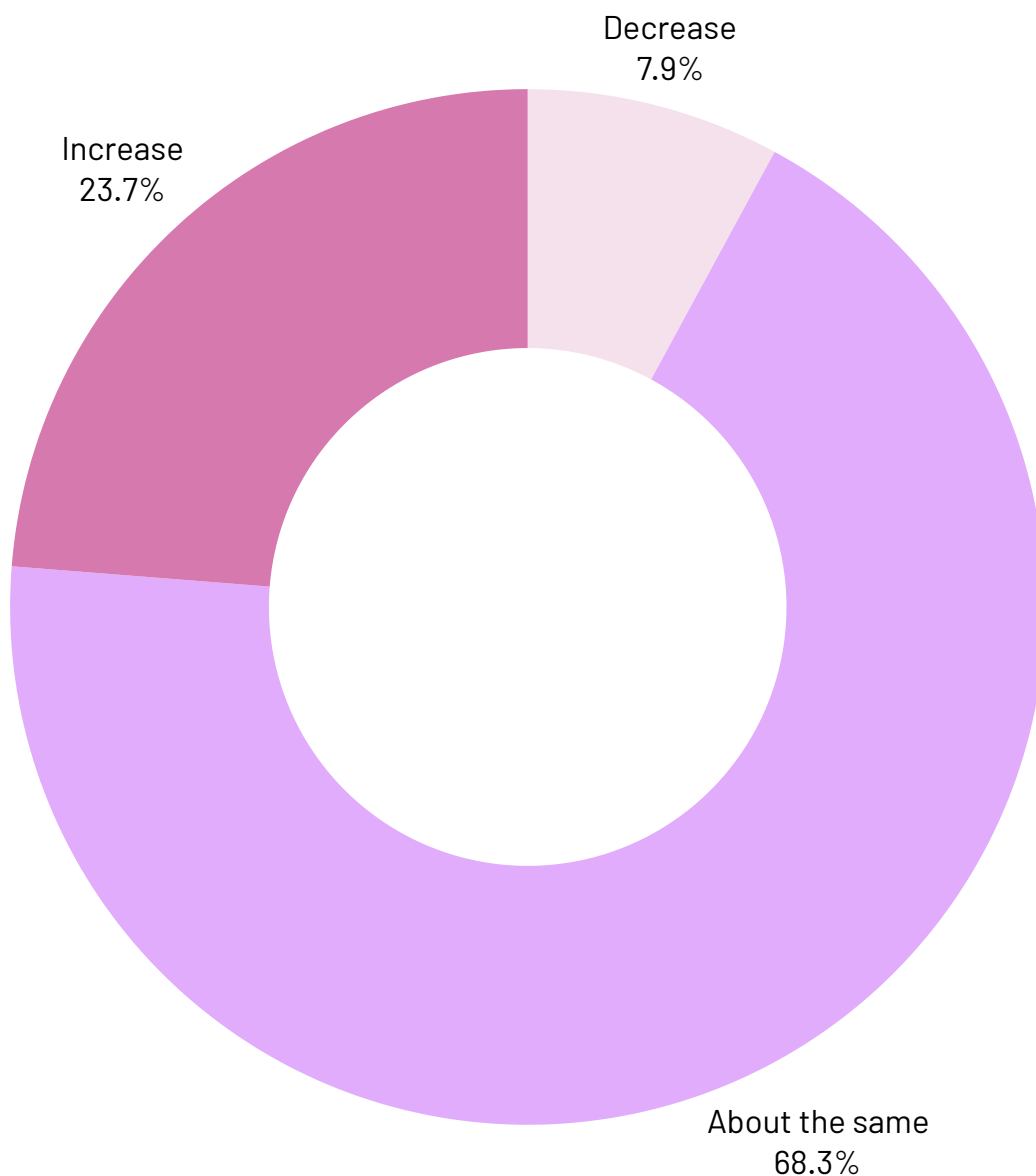
How do you expect the number of permanent positions in your company in Korea to evolve over the next two years?

Regarding full-time employment plans for the next two years, 43% of respondents indicated that staffing levels would remain similar, while 44% planned to increase headcount. In contrast, only 13% anticipated a reduction. This suggests a potential expansion of investment in the Korean market.



How do you expect the number of part-time positions in your company in Korea to evolve over the next two years?

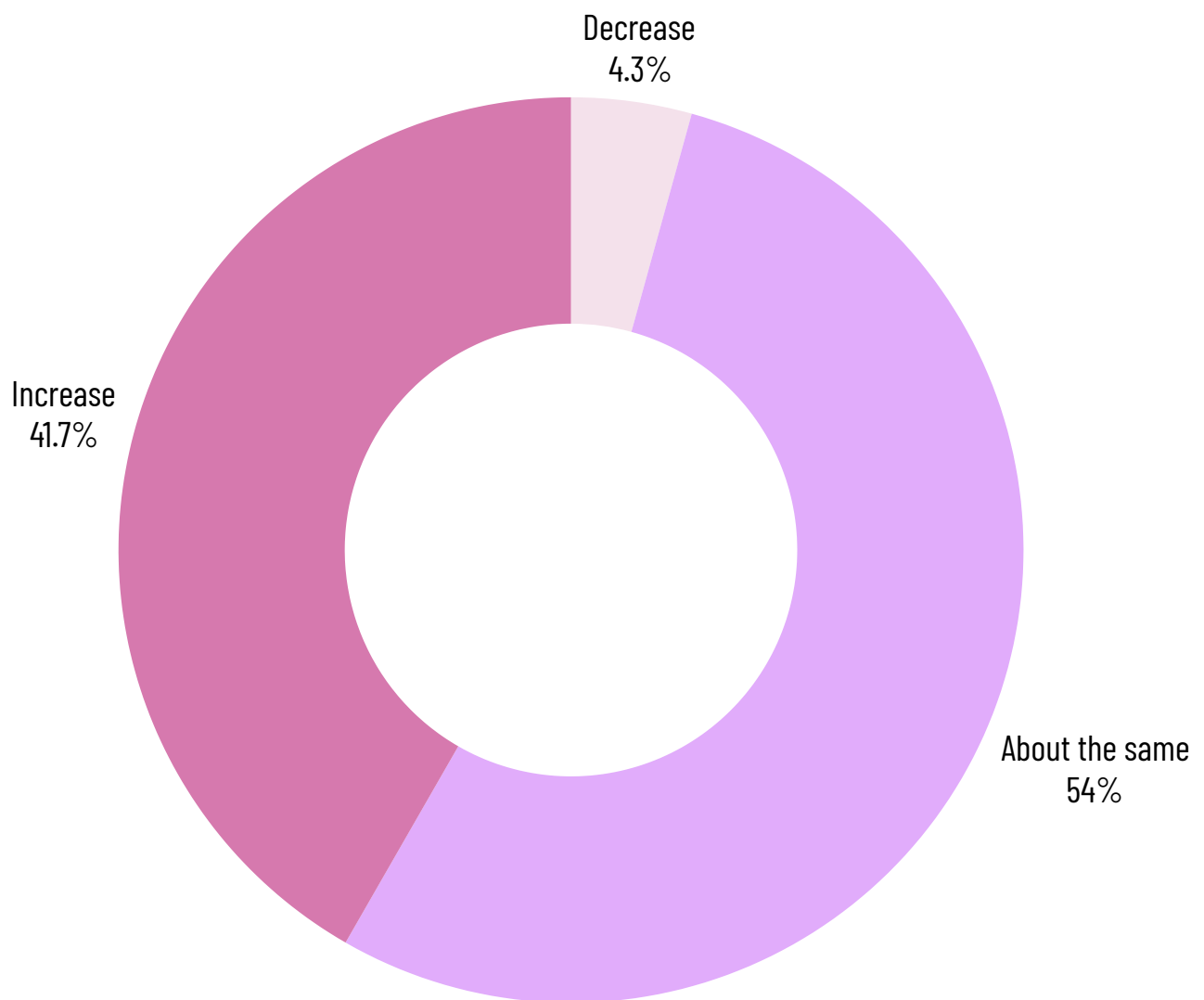
A similar trend was observed in part-time employment plans. Notably, the proportion of respondents indicating that they would maintain current levels increased by approximately 25 percentage points to reach 68%. Meanwhile, those planning to expand part-time employment declined by a similar margin, falling to 24%. The share of respondents expecting a reduction also decreased slightly, from 13% to 8%



How do you expect your company's salaries to change in 2025 compared to 2024?

taking into account the inflation rate of 2.3%

Regarding salaries in 2025, 54% of respondents stated they would maintain current levels, while 42% planned to increase them. Meanwhile, 4% indicated the possibility of salary reductions.



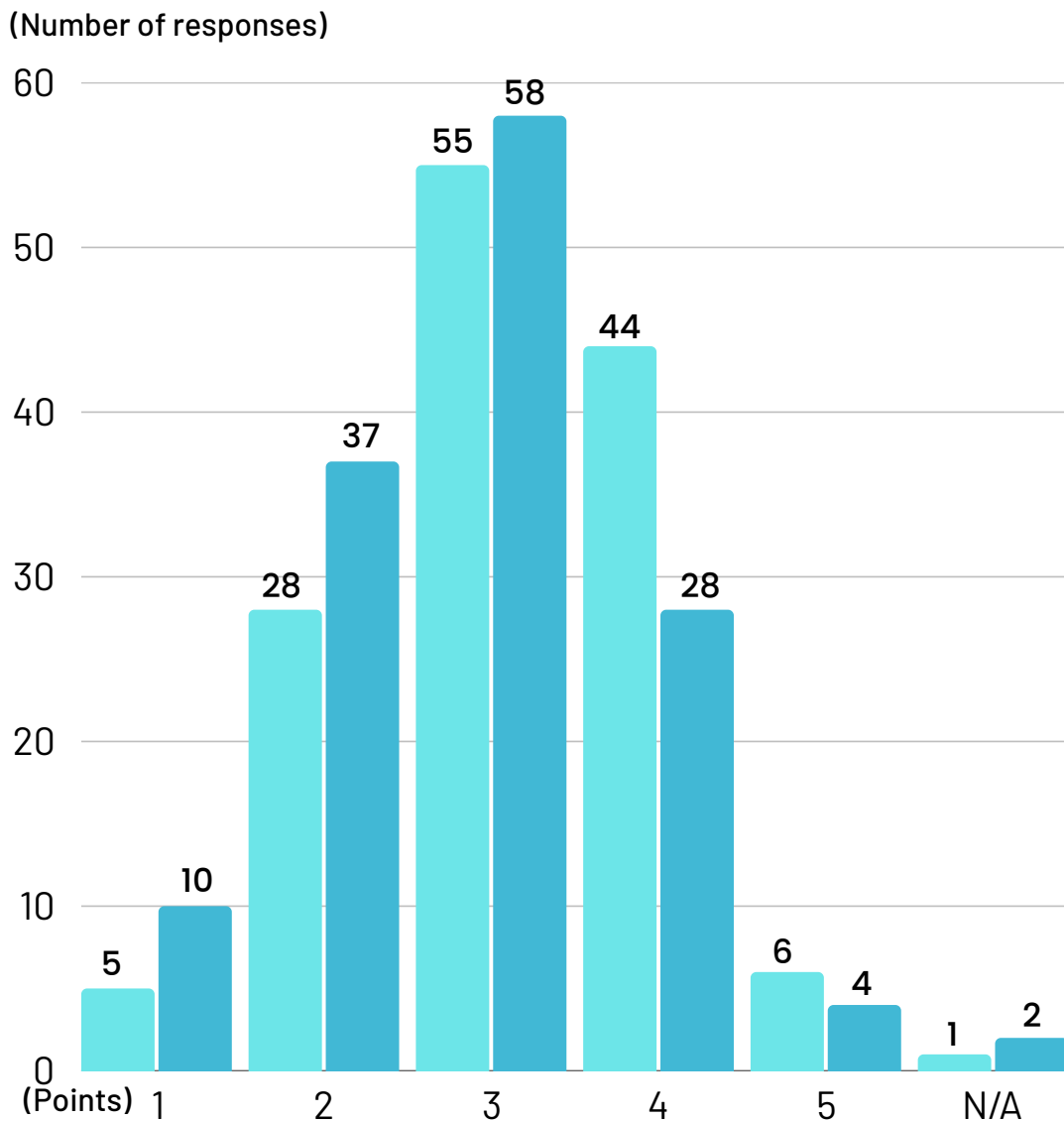
2025 FORECAST

HOW WE
THINK
ABOUT
2024-25

2024-25

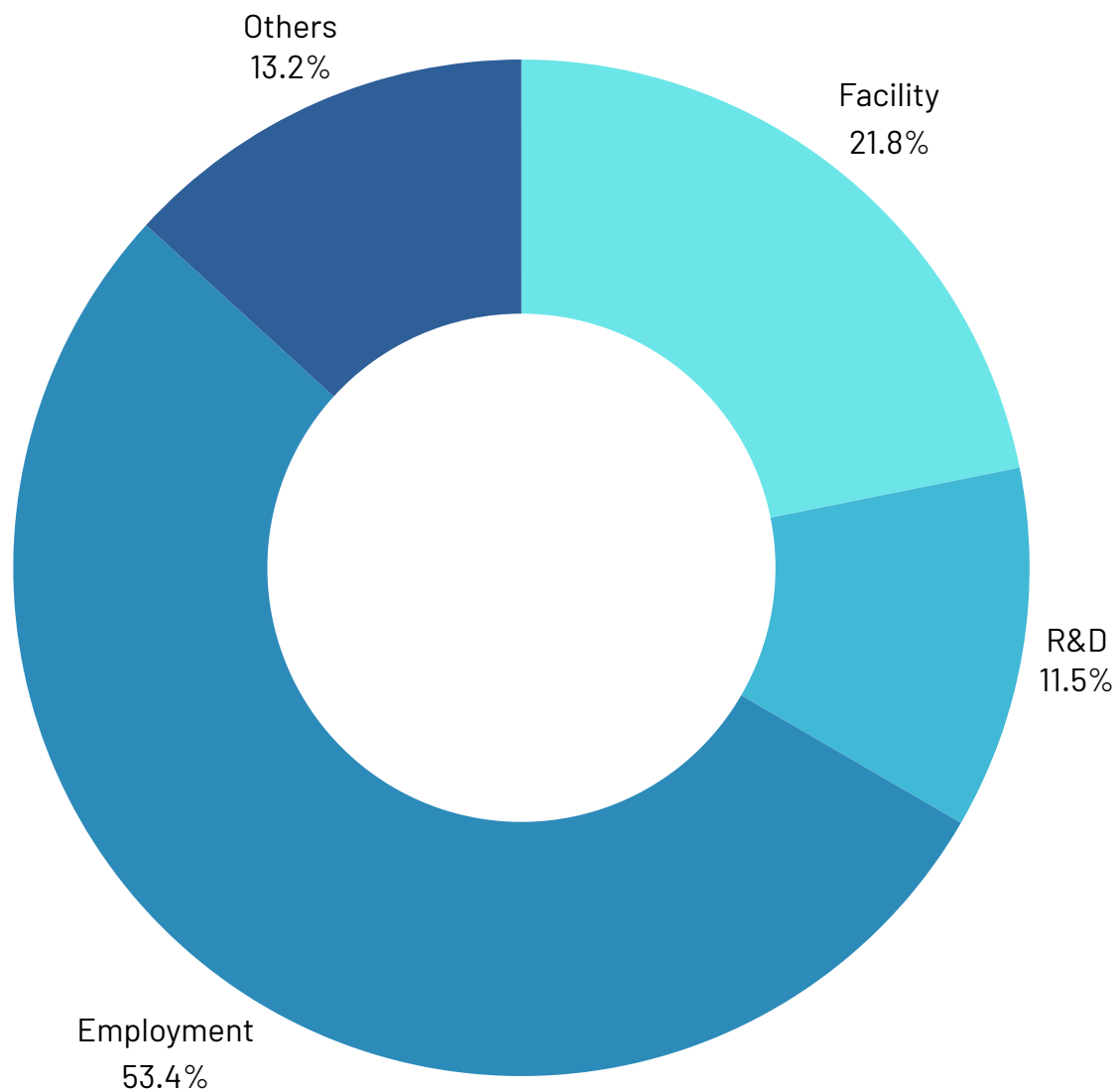
How would you describe the business outlook for your industry in Korea within the next 2 years in terms of...

● ...Sales ● ...Profit



In a question asking respondents to rate their sales and profit outlook for 2025 on a scale of 1 to 5 points, the average score for sales was 3.11 points, while the average for profit was slightly lower at 2.81 points.

What are your plans for investment or operational expenses in Korea in 2025



Meanwhile, in response to a question about investment plans for 2025, 53% of respondents cited employment, followed by facility investment at 22% and R&D at 12%. Among the 13% who selected "Others", some stated that they had no specific investment plans, while others mentioned intentions to invest in marketing, service development, and employment training, among other areas.

Please indicate how you perceive the following market parameters in your specific business in Korea

1_ Economic growth in Korea

(your market segment)

2_ Capacity for innovation

3_ Legislative environment & regulations

4_ Discretionary enforcement of regulations

5_ Administrative issues

(e.g. legal entity registration, tax filing)

6_ Transparent policymaking & implementation

7_ Immigration issues

(e.g., visa, work permit)

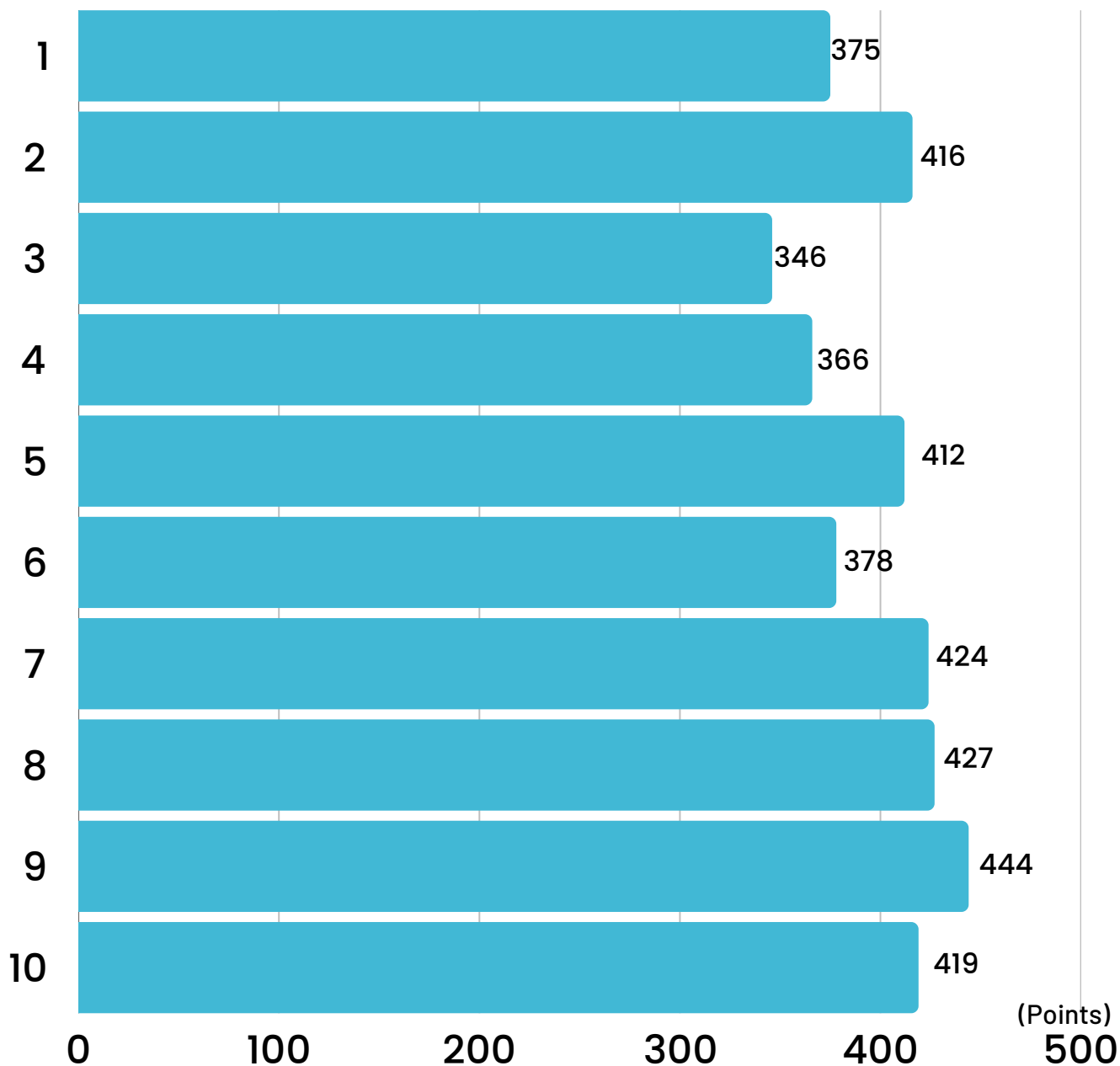
8_ Openness to foreign goods & services

9_ Customs procedures

10_ Tax rates and procedures

In this survey, respondents were asked to evaluate ten key areas that impact business operations. They rated each category on a scale from 1 to 5, with higher scores indicating greater satisfaction.

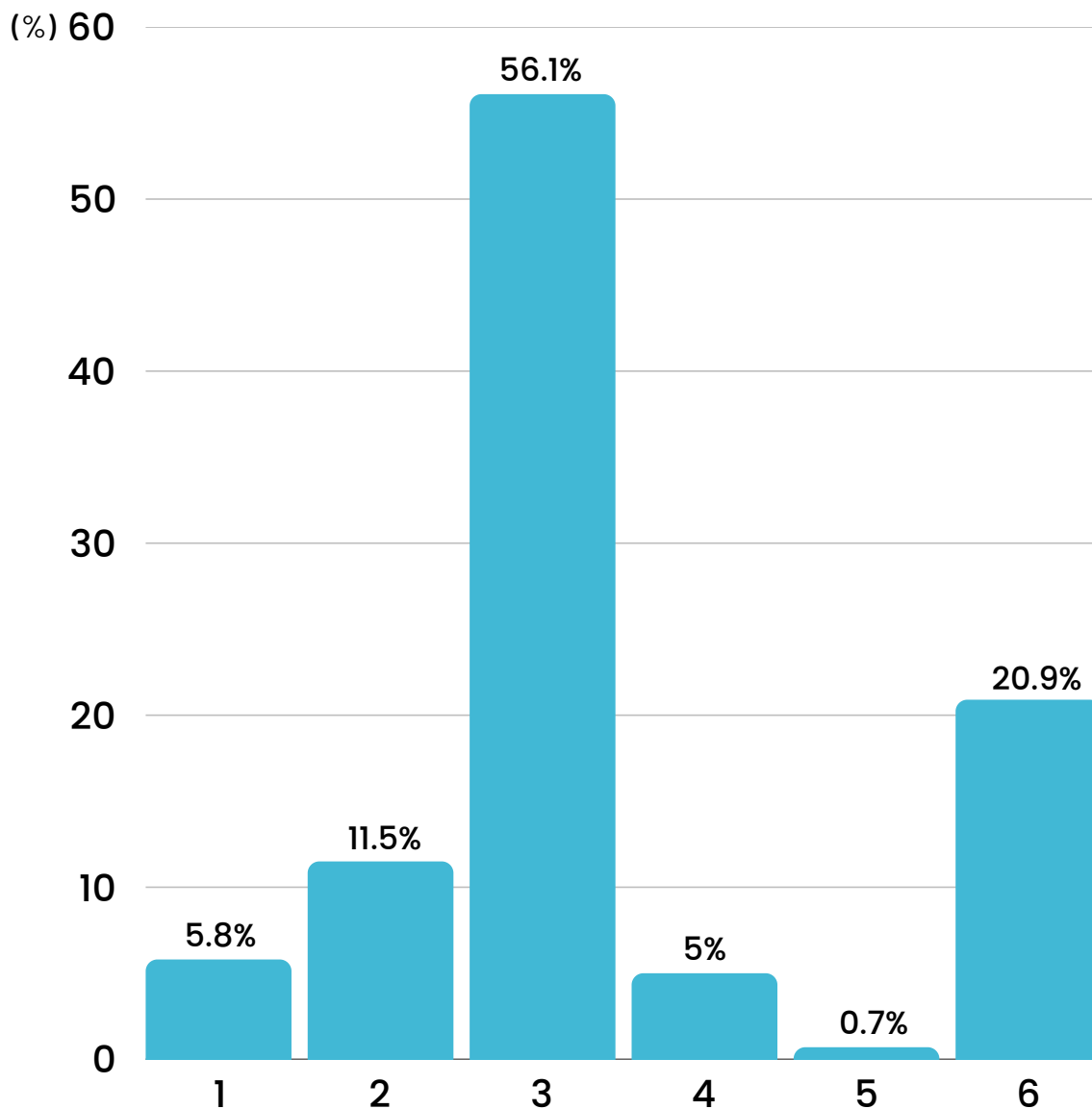
After aggregating the scores, the highest-rated category was Customs, which received 444 points. Other highly rated areas included Friendliness toward Foreigners (427 points), Visa Processes (424 points), Tax Rates and Filing Procedures (419 points), and Openness to New Ideas (416 points)



On the other hand, Discretionary Enforcement of Regulations received a relatively lower score of 366 points. This suggests that businesses perceive a lack of consistency in how regulations are applied, leading to lower predictability and increased operational uncertainty.

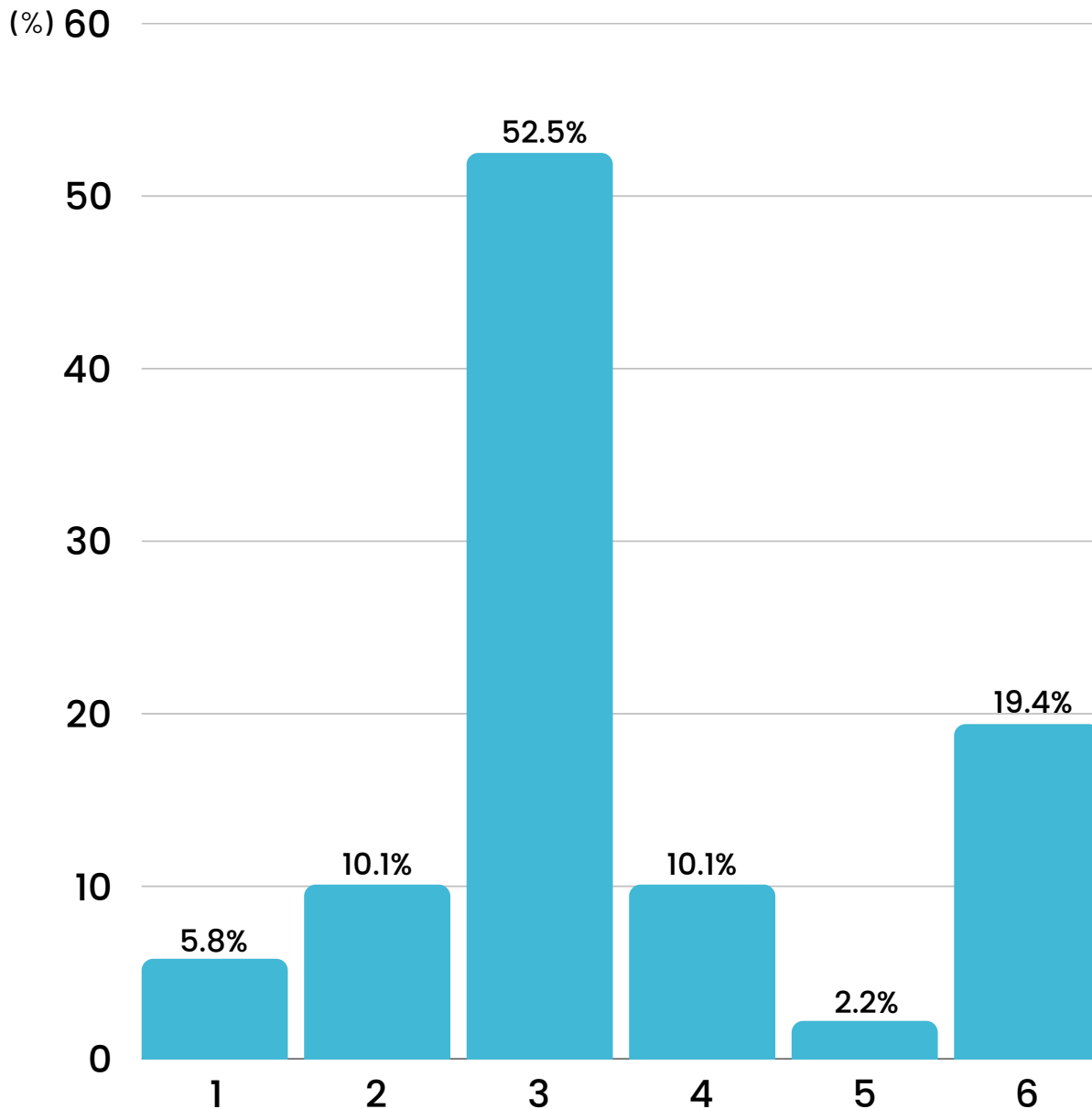
How have government policies relevant to foreign companies changed in the past two years?

- 1_Have increasingly discriminated against foreign companies
- 2_Are generally much less fair now than they were two years ago
- 3_Are as fair as they were two years ago
- 4_Are generally more fair now than they were two years ago
- 5_Have increasingly favoured foreign companies
- 6_No opinion



When asked about the overall direction of policies, 56% of respondents—more than half—felt that policies generally maintain fairness. However, 17% perceived a preference for domestic companies, while only 6% found the policies to be favorable toward foreign businesses. Meanwhile, 21% of respondents chose not to answer.

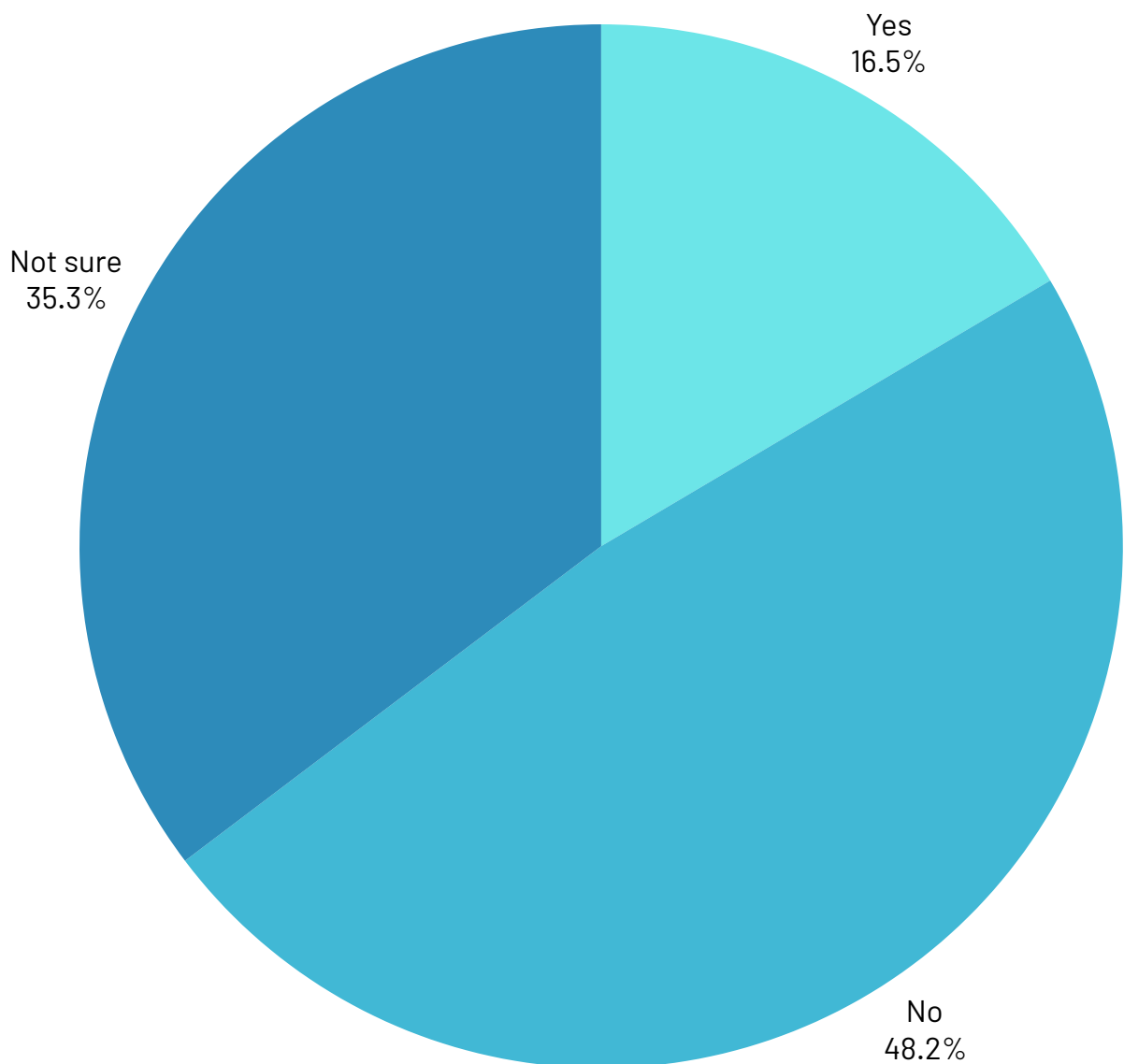
How do you expect government policies relevant to foreign companies to change over the next two years?



Expectations for government policy direction over the next two years followed a similar trend. 53% of respondents—more than half—believed that policies would generally maintain fairness. However, while 16% felt that domestic companies would be favoured, the proportion of those who expected a more favorable stance toward foreign businesses increased to 12%, reflecting a degree of optimism toward the government. The proportion of non-responses remained similar at 19%.

Do you believe that the Korean government will implement meaningful reforms in 2025?

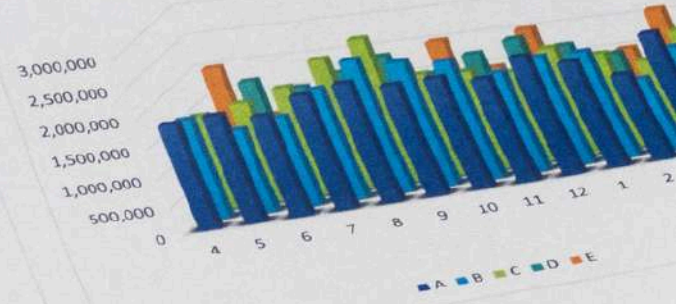
When asked about the likelihood of meaningful reforms by the Korean government in 2025, 17% respondents expressed confidence that reforms would take place, while 48% respondents did not believe meaningful changes would be implemented. Meanwhile, 35% respondents were uncertain about the government's direction.



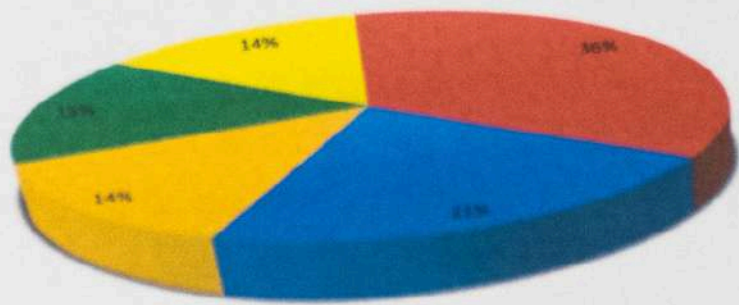




	A	B	C	D	E	TOTAL
98,812	1,698,112	1,576,112	1,400,312	2,001,146	8,474,294	
862,844	1,432,984	1,698,347	1,877,932	1,143,987	8,016,094	
760,762	1,555,842	1,860,048	1,680,021	1,002,004	7,858,677	
2,011,232	1,932,776	2,246,775	1,836,774	1,654,786	9,682,343	
2,122,226	2,326,996	2,500,006	2,022,004	1,655,487	10,626,719	
1,998,997	2,206,554	1,811,049	1,640,312	2,003,115	9,660,027	
2,023,332	2,126,880	1,764,486	1,880,965	1,458,623	9,254,280	
1,914,332	1,832,160	1,659,223	2,039,887	1,432,516	9,457,218	
2,203,983	2,008,063	1,976,532	1,836,124	1,499,335	8,886,328	
2,008,677	2,000,931	1,778,669	1,598,716	2,088,798	8,246,796	
1,680,543	1,411,005	1,566,114	1,500,336	2,088,798	10,315,009	
2,322,668	1,890,684	2,003,423	1,997,448	2,100,786	20,062,917	
23,708,208	22,422,987	22,440,784	21,310,831	20,062,917	109,945,727	



	A	B	C	D	E	TOTAL
4	42,738,911	28,227,556	14,009,861	18,738,411	17,432,136	121,146,875
5	55,856,125	26,559,841	26,905,442	20,384,936	18,876,889	148,583,233
6	38,738,624	33,447,978	19,908,665	17,914,588	16,980,012	126,989,867
7	57,375,669	20,199,554	16,708,223	22,849,746	18,942,378	136,075,570
8	58,832,938	28,775,345	15,884,321	24,437,819	19,998,976	147,929,399
9	38,999,232	32,123,445	17,000,005	18,011,436	17,875,775	124,009,893
10	44,666,116	22,313,789	21,998,542	19,748,764	18,642,138	127,369,349
11	39,742,179	22,445,889	13,118,951	17,900,212	17,448,178	110,655,409
12	46,887,531	29,446,128	12,889,735	24,980,212	19,687,554	133,891,160
1	40,338,171	27,889,118	15,088,378	18,227,458	18,448,226	119,991,351
2	37,221,667	21,038,755	11,897,723	18,042,256	16,801,146	105,001,547
3	59,998,776	39,846,172	31,305,778	23,550,608	19,486,468	174,187,802
	561,395,939	332,313,570	216,715,624	244,786,446	220,619,876	1,575,831,455



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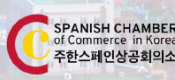
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