

# WORLD EYE REPORTS

# REPUBLIC OF KOREA

## 'Dynamic South Korea' solidifies its global influence

The worldwide reach of Korean brands and culture continues its steady expansion as the ink dries on a free-trade agreement with the U.S. and pending agreements with the European Union near completion.

"South Korea's strategic standing in East Asia has been enhanced by the conclusion of FTA negotiations with the U.S., and will be further enhanced by our pending agreement with Europe," says Korea's Deputy Minister for Trade Tae Yul Cho.

matic Mayor Se Hoon Oh has focused his administration on developing this technological strength — not only enhancing his government with interactive "Web 2.0"-type e-government, but also bolstering the private sector.



Seoul Mayor Se Hoon Oh

"A more aggressive agricultural offer from Japan is key to the resumption of those negotiations," Cho adds about the possibility of resuming the stymied Japan-South Korea FTA talks.

"I have designated a number of major industries that the city government will nurture extensively in the next several years: tourism, design, the convention industry, high-tech industries, including IT, biotech and nanotechnology, and digital content. We will boost R&D for these knowledge-based and creative-sector industries," says Oh.

Indeed, it is worth noting that Korean and Japanese business ties have evolved into a high level of complementarity in recent years as technology and capital flow both ways.



Downtown Seoul reflects the nation's ability to straddle the ancient and the cutting edge, as well as the fact that South Korea's strong traditional culture is at the very base of its many modern successes.

South Korea took place when Mizuho formed a comprehensive alliance with Shinhan and Korea Development Bank.

to let all of the foreign investors know what is going to happen," says Oh.

be realized — and the connection between South Korea and Japan is an essential element of that unity," says Hayashi.

The agreement between Korea's POSCO and Nippon Steel to further strengthen financial and business ties to successfully defend their Asian market share against Arcelor-Mittal, the world's No. 1 steel-maker, is yet another example of this cooperation.

"Economic unity in Asia must be realized — and the connection between South Korea and Japan is an essential element of that unity," says Hayashi.

The growing level of business cooperation between Japan and South Korea could help prevent the less-than-desirable state of bilateral diplomatic relations from deteriorating further.

Open for Japanese business "With the capital that the Japanese have accumulated over the last several years and with the launch of the new administration, I believe that these two factors will overall revitalize the Korean economy, and it will register higher growth rates for the next year. That will create an even more favorable investment environment in South Korea — so I would like

The Korea Chamber of Commerce and Industry is the nation's largest private economic organization. Bringing together 70 regional chambers and about 45,000 members from across the country, it contributes to the growth and development of the national economy and enhances South Korea's status in the global community.

The Japan External Trade Organization is a government-related organization that promotes mutual trade and investment between Japan and the rest of the world. It also helps small to medium-size Japanese firms maximize their global export potential.

## Toyo Engineering Korea marks milestone with strong financial performance

After 20 years in Seoul, Toyo Engineering Korea, a joint venture between Toyo Engineering and Mitsui & Co., Ltd. of Japan, has achieved considerable success. With net sales in new orders at close to over \$100 million and its number of engineers increasing from 200 to 350 in the past three years, South Korea represents Toyo's largest operation outside of Japan.

The greatest challenge for Toyo Engineering Korea right now is an inadequate supply of skilled engineers in the labor market to meet the booming demand for its services globally and facilitate its expansion locally.



Toyo Engineering Korea CEO Naoki Sugaya

Aside from food, medical, biotechnology and environmental engineering, Toyo's main areas of expertise are in energy, petrochemicals, fertilizers and chemical facilities.

mestic Korean market, where he has increased the company's project portfolio by 10 percent to 30 percent.

Toyo Engineering Korea is involved in several large-scale oil and gas projects in the Middle East, Southeast Asia, China, Russia and South America, including a major gas project in Qatar in collaboration with Korean flagship Hyundai.

Clearly investing in the future, he has increased engineers' salaries by 35 percent during the past year to ensure that Toyo Engineering Korea is drawing the best talent.

As the largest engineering operation outside of Japan, Toyo Korea is an integral part of the global network of the parent company, with the same front-end, high-skill engineering and design capabilities as its counterparts in Japan.

"Koreans are good, honest hard workers. If you understand Korean culture and their way of thinking, you can develop good communication. Good communication equals good business," he says.

Toyo's primary competitive advantage is embodied by that global network.

In addition to South Korea and Japan, Toyo has engineering offices in India, Thailand, China and Malaysia. To take advantage of the expertise of these individual offices, work is rotated among them.

Sugaya sees a lot of opportunity in the do-

## South Korea and the environment have great chemistry

With worldwide recognition that "clean and green" is in fact among the best business practices, firms across South Korea continue their scramble to rally around the banner of environmentalism.

This is no less true in the country's booming chemicals sector, where many of the most successful firms are adopting greener systems and actively minimizing their impact on the environment.

Boo is overseeing his business with an eye toward a greener and more progressive business philosophy, wherein the environment is not the sole concern.



Aekyung Petrochemical CEO Kyu Hwan Boo

Aekyung Petrochemical, a Seoul-based firm that produces polyethylene and certain types of plasticizers, is building a strong reputation for this environmental awareness.

In a country where labor relations have been traditionally strained, Aekyung enjoys a stable relationship with its employees.

"We produce petrochemical materials vital for manufacturing and yet at the same time, we have a very green philosophy. This begs the question: How can we produce a product without creating any environmental disturbances? That question is our key concern," says CEO Kyu Hwan Boo.

Commanding a local market share of about 45 percent for polyethylene production and 35 percent for plasticizers, the company continues to expand in an industry often described as oversupplied. This success is bolstered by Boo's commitment to building his company's competitiveness by fostering innovation.

It is a concern that Aekyung has worked tirelessly to address. Its factories produce nearly zero air pollution and no wastewater whatsoever. And recently, it won a national award for energy saving.

"About 10 years ago, we drastically changed our methods and our overall business philosophy. We were looking for a different way to grow and we decided to focus on creating new ideas. Today, that is the basic theory for company growth — to create competitiveness by boosting innovation," Boo adds.

In an industry wherein environmental mismanagement can bear heavy consequences,

Founded in 1975 in the spirit of international cooperation among Mitsubishi Oil and Chemical, Dai Nippon Ink and Chemical, Itochu Corp. and South Korea's Samkyung Chemical, this Japanese-Korean joint venture reflects the power of partnership, and the potential of business to bring cultures together for an effective and mutually beneficial outcome.

'About 10 years ago, we drastically changed our methods and our overall business philosophy. . . . We decided to focus on creating new ideas. Today, that is the basic theory for company growth'

**Premium Quality of Project**

Toyo Engineering Korea Ltd., as a member of "Global Toyo" executes Engineering, Procurement & Construction services in the field of Gas & Energy, Oil refinery, Petrochemicals, Fine Chemicals, Power and Industrial plants.

Your choice of Toyo always ensures great achievements in your business!

**Global Toyo**

**TOYO ENGINEERING KOREA LIMITED**  
677-17, Yeoksam-1Dong, Kangnam-Ku, Seoul, South Korea 135-0115  
Tel: 822-2189-1814 Fax: 822-2189-1863  
http://www.toyokorea.com  
Email: chuangw@toyokorea.com

**AEKYUNG PETROCHEMICAL CO. LTD.**  
Chemical Business Division

A chemical company that spearheads the future with top competitiveness and passionate dedication

Established:	October 13, 1970
Annual Revenue:	KW 425.92 billion
Net Income:	KW 3.31 billion
Total Assets:	KW 365.38 billion
Total Capital:	KW 30 billion

Main Products: Phthalic Anhydride (PA), Plasticizer, Maleic Anhydride (MA), Itaconic Acid (ITA), PA Polyol Polyurethane Systems

CEO: Kyu Hwan Boo  
Phone: + 822 850 2000 Fax: + 822 838 8435  
Address: 105-3, Guro-Dong, Guro-Ku Seoul, South Korea  
www.akp.co.kr

**Erratum**  
In the Chile supplement published on Oct. 20, the photo captions in the article "It's full speed ahead for Ultramar" were interchanged. The error is regretted.