04 Policies and Incentives

ICT Policies

The Korean government set up the “Future Growth Engine Implementation Plans” to nurture 19 industries by 2020 including 5G mobile communication, wearable smart devices, intelligent semiconductor, IoT and big data.

- Future Industries
- Mainstay Industries
- Public Welfare and Energy Industries
- Basic Industries

Tax Benefits

In 2017, the Korean government started to offer 30% of tax credits for the R&D expenses in the 11 new industries.

11 new industries include intelligent information, next-generation electronic data device, next-generation broadcasting communication system, next-generation 5G and security content, composite materials, robotics, aerospace technology, bio-healthcare, future-oriented car, renewable energy and the environment.

Success Case

NOKIA Solutions and Networks Korea (NSN Korea)

NOKIA Solutions and Networks Korea (NSN Korea), founded in January 2007, is a global communication equipment and system company in the network, communication, and mobile sector. It has collaborated with three Korean mobile service providers including SK Telecom, KT, and LGU+.

NSN Korea has joined the 5G forum of Korea since 2012 and has been playing a key role in leading the 5G technology and standards.

KOTRA WORLD WIDE

As Korea’s Trade-Investment Promotion Agency, KOTRA has 127 overseas offices and 10 headquarters worldwide.

* Invest Korea’s business investment promotion agency, was established as part of KOTRA to support the foreign businesses in Korea.

KOREA’S LEADING INDUSTRIES

INFORMATION & COMMUNICATIONS TECHNOLOGY
The Korean network equipment industry is steadily growing thanks to the development of mobile network services and smartphones.

**Mobile Devices**
Korean production of mobile phones has risen since 2012 by 4.7% annually to exceed USD 43 billion in 2015. Its exports volume increased by 12% during the same period, reaching USD 31.8 billion.

**Network Services**
The Korean data service market surged to reach USD 24.5 billion, with the country's fastest growing smartphone penetration rate in the world. The market is expected to grow by about 9.2% to record USD 27 billion by 2017.

**Technological Prowess**
Korea boasts a world-class competitiveness in the core parts sector such as memory, display, and AP. It also has gained a dominant position in LTE patents and commercialization.

**Home to Global IT Leaders**
Global Market Share of the top 5 global smartphone manufacturers.

**Industry Clusters**
Industrial clusters in the capital area are largely divided into Seoul (IT), Barwing(Silicon) electronic components), and Namdong (Intelligence fusion parts).

There is an industrial belt of mobile devices, including cellular phones and their parts, around Gumi and Daegu.

Samsung Electronics' smartphone manufacturing plants and its small- and medium-sized partner companies manufacturing smartphone parts are located in Gumi, while its smartphone parts and system equipment companies are in Daegu.

Sejong An advanced industrial complex to nurture high-tech industries including IT convergence, BT and ET, has been under construction in South Korea's administrative capital Sejong since 2013.

**Status of Korean ICT Clusters**
- **Capital Area**
  - Variety ICT Clusters
  - Industry Clusters
- **Sejong**
  - An advanced industrial complex to nurture high-tech industries including IT convergence, BT and ET, has been under construction in South Korea's administrative capital Sejong since 2013.