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South Korea- A fruitful Business Startup

Harshul Bokadia, Sanchit Jain

*Department of Finance & International Business, Christ University, Bengaluru, Karnataka
Department of Finance & International Business, Christ University, Bengaluru, Karnataka*

ABSTRACT

South Korea is known as a rapidly growing prosperous economy, home to global conglomerates called chaebols. However, the actual opportunities and challenges of the South Korean market remain unknown to most foreign companies. Yet recent developments in the South Korean economy are opening new opportunities for foreign companies. At the same time, South Korea is actively searching for new paths to future prosperity, as it is increasingly challenged by other Asian countries. Understanding the South Korean economy, its opportunities and future direction is thus a very timely subject.

Keywords: *Economy, Chaebols, Conglomerates, Opportunities.*

1. INTRODUCTION

South Korea has been one of the quickest developing economies on the planet since the 1950s. It has a vast local market with a populace of 50 million and is near the greater Asian markets of China and Japan. Instead of China, South Korea is a created majority rule government that offers a less unsafe business condition for those hoping to enter the Asian market. Then again, the nation is to some degree more powerful than Japan and has a more entrepreneurial and forceful corporate culture.

The South Korean majority rule demonstrate works under a two-party framework, described by proficient basic leadership. Inner fights inside gatherings are uncommon, probably on account of the Korean method for regarding the choices of bosses. All things considered, Koreans are not anxious of entering energetic civil argument, as saw by very savage discourses in the parliament and the regular showings. While debating is typical, once choices are made, execution has a tendency to take after quickly, finishing talks.

The country gives the impression of being directed starting from the top in an effective way that an outcast could without much of a stretch esteem as post-battle ready. At the point when the President is chosen, he sets an aggressive five-year vision for the nation. The arrangement of the present President, Lee Myung-bak, is known as 747: 7% yearly development, 40000USD GDP for every capita and raising South Korea to the seventh biggest economy on the planet. Moreover, the president has set Green Growth as the new national improvement worldview with the point of transforming the country into a worldwide pioneer in green innovation.

The chaebols, vast Korean combinations, bolster the execution of the national vision by setting their own development targets as needs be. For instance, following President Lee, Samsung has reported a desire to be number one in sun based vitality by 2015 and is putting \$20 billion in new development in sun based cells, rechargeable cells for cross breed electric autos and LED innovation; Daewoo has fabricated the world's biggest tidal power plants on the South Korean coastline, and both STX and Hyundai are putting vigorously in sunlight based and twist control far and wide.

The extensive chaebols add to the greater part of the GDP development of the nation. They are firmly connected to the legislature, incompletely attributable to the nation's history. This combined with the way that the combinations contend wildly both among themselves and in addition with any remote contestants, has made it troublesome for enormous outside organizations to enter the South Korean market. For instance, Nokia flopped in its Korean market section endeavors because of government intercession and rivalry from LG Electronics and Samsung, as indicated by a recent report directed at the University of Tennessee.

Another test for remote organizations lies in pulling in the best individuals. Most Koreans still observe the expansive chaebols as the most appealing businesses. Among Korean college graduates, chaebols are viewed as the most regarded work environment in the general public, offering high wages and a long lasting profession way. In Korean culture, regard of specialist, position, and commitment to one's activity are focal. Workers are spurred and urged to seek after long professions in a similar association. The representatives of the chaebols execute the corporate vision by adjusting their own particular aggressive focuses to those of the organization. Another section level select at a noteworthy chaebol spends the primary work weeks arranging his own vision for his vocation improvement. The new worker is then allocated a tutor whom he meets on a month to month premise to return to his profession advance versus the set-out objectives.

Working in South Korea can likewise be a test because of the nation's business culture. The generally experienced feeling of patriotism stretches out past employment choice. A remote organization may experience difficulty discovering customers; South Korean significant enterprises frequently incline toward nearby creation and Korean providers. For a nation commanded by a substantial number of worldwide aggregates, the business condition has shockingly minimal social assorted variety. Information of the Korean dialect is a necessity for an outside market contestant as Korean is as yet the fundamental business dialect. Besides, the general public is extremely organized and knowing the opportune individuals is basic to construct business connections.

2. OPPORTUNITIES IN KOREA

As the twelfth biggest economy worldwide and the fourth biggest in Asia, South Korea is a dynamic and energetic place to work together. Its 50 million in number residential populace is well off, clever and out to purchase the best. With the presentation of the EU-South Korea Free Trade Agreement and an energy for UK products, the nation positions among the most lucrative and energizing abroad markets for British organizations, with various and fluctuated open doors for send out.

The figures represent themselves. Throughout the following five years, the South Korean economy is set to make the tenth biggest commitment to world development. That is as much as the UK and more than France or Italy. South Korea's economy developed by 3.6% out of 2011, the speediest in the OECD (Organization for Economic Cooperation and Development), and regardless of the worldwide monetary log jam, the economy developed by 2.8% out of 2013, and is anticipated by the Bank of Korea to grow 3.8% out of 2014.

South Korea is a hello there tech economy. It is a world pioneer in gadgets fabricating, including semiconductor chips, level screen TVs and cell phones. Samsung – the world's biggest hardware organization – started in South Korea. The association has a turnover more prominent than that of Apple, Google and Microsoft joined. South Korea likewise has the largest amount of broadband entrance on the planet (with paces of 100 megabytes the standard), and also the most noteworthy 3G cell phone use.

The EU-South Korea Free Trade Agreement (FTA)

In July 2011, the EU-South Korea Free Trade Agreement (FTA) came into drive. This noteworthy understanding presents open doors for more noteworthy UK-Korea exchange and coordinated effort. In light of current exchanging designs it will be worth in any event £500 million for each annum to the UK economy. The most thorough FTA at any point concurred between two gatherings, the arrangement has made extraordinary open doors in money related administrations, media communications and lawful administrations.

97% of tax obstructions amongst Korea and the EU will have been wiped out by July 2014 with £1.6 billion of obligations for EU exporters nullified every year. South Korea is as of now the main nation in Asia to have finished up a FTA with the European Union:

- Increased open doors for exchange merchandise and ventures: Duties will be wiped out on 98% of items representing 70% of the exchange between the EU and South Korea. The FTA is required to make more than £17 billion in new exchange products and ventures for the EU.

- EU first mover advantage over the US: The EU arbitrators of the FTA had an objective of squaring with or surpassing the South Korea-US (KORUS) FTA (named KORUS Plus). Moreover, EU organizations have had a noteworthy first-mover advantage over US organizations, as the EU-Korea FTA produced results on 1 July 2011, preceding KORUS FTA execution in March 2012.
 - Exchange rate changes offer focal points to the UK for the time being: The UK had favorable position over numerous other EU nations at the dispatch of the FTA because of the relative shortcoming of the UK pound. When British firms have caught the market, it will be less demanding to manage notwithstanding when rates change later on. Changes in swapping scale are a more noteworthy factor than duty diminishments.
 - UK quality in administrations is huge favorable position in South Korea: A noteworthy concentration of the FTA is exchange administrations where the UK is especially solid (particularly legitimate and monetary administrations) and where South Korea is powerless. This speaks to an uncommon favorable position for the UK over other EU nations.
 - Intellectual property is secured in South Korea: Intellectual property insurance in South Korea is generally exceptional, so UK organizations can approach the market with certainty that competitive advantages will be protected. Insurance is additionally fortified by the FTA.
 - FTA underpins evacuation of "non-duty" boundaries: Non-levy hindrances, (for example, harmonization of nearby wellbeing and testing measures with worldwide principles) were a noteworthy issue that were widely tended to in the FTA. South Korea has focused on straightforwardness of its administrative procedures and to making the administrative procedure all the more promptly accessible to outside firms. This should prompt a reliable, unsurprising administrative administration.
 - FTA is an additional advantage to the officially open South Korean market: South Korea is as of now generally open to exchange and outside venture. In any case, the FTA will guarantee that South Korea can't 'back track' on progression.
 - Joint coordinated effort: The EU-South Korea FTA confers the two gatherings to empowering and supporting cross fringe joint effort especially in the regions of logical and specialized co-operation.
 - FTA gives structure and use to debate determination: South Korea has an entrenched legitimate structure however requirement has regularly been seen to be prejudicial. The FTA tends to this issue by building up Working Groups as a gathering for discourse on issues that emerge. This is required to give 'use' for debate determination and enable organizations to address oppressive practices.
 - Positive impression of the UK by Korean buyers: The UK has a generally positive picture with Korean shoppers and the FTA is probably going to expand the level of consciousness of the EU. The FTA is additionally anticipated that would build familiarity with South Korea among UK organizations
 - The South Korean populace is much taught. 7% of the nation's whole GDP is spent on instruction and almost seventy five percent (74%) of South Koreans attempt postgraduate level examination. This makes phenomenal open doors for UK instructive organizations.
 - Education – South Korea is one of the biggest training markets on the planet. English dialect preparing, including preparing conveyed by means of e-learning, offers extensive open doors. English, our articulation and etymological aptitude are held in high respect.
- Financial and legitimate administrations – Korea has an exceedingly created and gainful money related administrations segment including the second biggest protection market and third biggest managing an account showcase in Asia. The EU-South Korea FTA has expelled some key hindrances to the productivity of UK banks in the nation and bit by bit, permits UK law offices access toward the South Korean market. There are specific open doors for resource administration organizations to work close by South Korean sovereign riches stores, including the South Korean National Pension Service (the fourth biggest on the planet), and the South Korean Investment Corporation.
- Creative businesses (Design) – South Korea's general outline advertise is worth £10.6 billion. Seoul was the World Design Capital in 2010 and supported new and innovative outline ideas in and around the city. UK configuration is very esteemed by South Korean organizations.

- Life Sciences – South Korea's quickly maturing populace and societal drivers for a more advantageous way of life guarantee an extensive variety of chances, from the supply of marked medications to over-the-counter supplements, and common fixing based items in especially popularity. South Korea is a created advertise for social insurance arrangement, offering specialty openings in the supply of top of the line hardware and telemedicine.
- Global Sports – South Korea will have the Winter Olympics in 2018 in the city of Pyeongchang in Gangwon Province. English organizations with mastery in overseeing and conveying significant universal brandishing occasions are very much set to offer their administrations toward the South Korean coordinators.
- The South Korean instruction framework depends on the US demonstrate comprising of six years of basic tutoring, three years of center school, and three years of secondary school, with four-year college degrees and two-year aces degrees the standard. Pre-school kids are taught in day mind focuses (or nurseries at ages of a few) and kindergartens (at four to six).
- Historically burning through 11 out of each 14 days at school, South Korean essential and optional school understudies embraced a five-day school week in March 2012. Youthful South Korean understudies are presently free on Saturdays and guardians, educators and neighborhood training providers are quick to give different instructively advancing amusement exercises for them. The South Korean Education Ministry likewise urges schools to offer additional curricular training programs for its understudies.
- There is a culture of paying for training at all levels in South Korea, from pre-school to school and college. Private 'crammer' foundations (Hagwon in Korean) pull in understudies as youthful as two, and cover all subjects running from English and maths to history and IT. The estimation of this market is evaluated at around US \$20 billion. In the event that you incorporate preschool kids and grown-up instruction, this ascents to more than US \$22 billion.
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Effective selecting requires building up a solid organization brand and verbal, so one can contend with the better-known nearby players. The organization's vision for the future must be believable; frequently promoting messages must be custom-made to meet the one of a kind attributes of the South Korean business condition. Finishing this off by offering a superior work-life adjust can switch the enlisting favorable position to the outside organization.

A Finnish organization that prevailing with regards to setting up its South Korean deals organization found an entrepreneurial deals administrator in his mid-30s with strong universal experience and great information of the Korean market. The supervisor favored work in a worldwide organization because of the better working society and saw the chance to construct his own particular vocation in the organization. The organization had a decent notoriety, world class items, and concentrated on business sectors where request was developing yet no chaebols or their providers worked. What's more, Finnish senior administration individuals had invested impressive energy in Asia, and comprehended the special attributes of the market.

South Korea remains moderately obscure to outside organizations and its potential is maybe over and over again disregarded. In all actuality, this nation speaks to a genuinely shut economy, and because of dialect and social boundaries it is a hard one to enter. In any case, the extraordinary attributes of this market offers the valiant participant intriguing learning openings, and a passage to the bigger Asian markets. Achievement will require watchful thoughtfulness regarding productivity and quality, and additionally enlisting, advertising and brand building (frequently through casual systems), and further impediments are probably going to be found in transit. For the individuals who survive the section, the reward lies in working with a standout amongst the most powerful economies on the planet, approaching an exceedingly instructed, dedicated and driven staff, and teaming up with a portion of the biggest and quickest developing worldwide companies.

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