AUTOMOTIVE

**Overview**

South Korea is a major player in the global automotive industry and is the third largest automobile market in East Asia. The country’s total domestic auto production reached around 4.5m units in 2013, with passenger cars accounting for 91% of production. Imported cars make up 12% of the car market and are almost exclusively luxury passenger vehicles. South Korea is also the world’s fifth-largest auto parts manufacturer, following China, Japan, the US, and Germany. Major auto parts manufactured by Korean companies include brake and steering systems, air suspension systems and chassis modules.

**Impact of the EU-Korea FTA**

Implemented in July 2011, the EU-Korea FTA has positively affected bi-lateral trade in automobiles and auto parts, resulting in the removal of 97% of tariffs and all import levies on automotive items and auto parts. South Korea is now the top importer to the EU in terms of automobile units, and exported around 381,000 units to the EU in 2011. Over the same period, South Korea imported some 80,000 European passenger luxury cars. Increasing demand among Korean consumers for foreign cars is expected to increase the number of imported cars to the country.

**Potential Opportunities in Korea**

* South Korea aims to operate one million electric cars by 2020 and plans to invest GBP 3.4bn in infrastructure, including recharging stations
* South Korea is at the cutting edge of 5G infrastructure and major South Korean car companies are looking for new IOT technologies to integrate into their cars
* South Korean tier 1 and tier 2 auto parts manufacturers require new technologies in the fields of factory automation and assembly line quality control as they expand overseas and compete with global manufacturers

**Case Study: NextGen Technologies**

The Brief

This UK-based interoperability testing services provider appointed BCCK to oversee the process of establishing a legal entity in the Korean market. The company understood that to develop a long-term and sustainable business in Korea it needed a local presence to provide timely support to customers.

The Approach

BCCK’s transparent and streamlined approach to entity setup allowed NextGen to quickly and painlessly establish a legal entity within three months. Over this period, we provided the company with advice and assistance on choosing the right type of legal entity, provided consultation for office leasing and visa issuance, identified reputable accounting/legal/banking partners, and, throughout, ensured that all aspects of the entity setup process complied with Korean regulations.

The Outcome

BCCK helped NextGen Technologies to successfully establish a local entity in Seoul, Korea, to better support its local customers. Our transparent on-the-ground support allowed the company to quickly and easily establish a legal entity in Korea.