Trade Mission: South Korea & Japan

South Korea Overview

South Korea’s economy is ranked the 3rd in Asia and 11th in the world. Underlying the advanced economy is a historic strength in shipbuilding, steel, and petrochemical industries and a shifting focus toward technology-intensive industries. South Korea has the fastest overall and mobile internet connection speed in the world; comparatively the U.S. ranks 10th overall and 30th for mobile. South Korea is one of the most trade-dependent countries in the world, with trade valued at 90% of GDP. U.S. companies can reap the benefits of the Korea-U.S. Free Trade Agreement (KORUS) with 95% of consumer and industrial U.S. products entering duty-free into South Korea.

Top opportunities for Virginia exporters to South Korea include:
- Aerospace and defense equipment
- Agriculture
- Cybersecurity
- Education services
- Medical equipment and devices

Japan Overview

Japan is the third-largest economy in the world and the United States’ fourth-largest trading partner. With a per capita income of $43,118, Japan’s consumer economy is strong and sophisticated. Japan’s policy of “Abenomics” (named after Prime Minister Abe) focuses on lowering corporate taxes and increasing wages and consumption. These policies have bolstered economic growth, lowered unemployment, and stabilized inflation. Its aging population creates a wealth of opportunities for U.S. companies, particularly in robotics, medical devices and equipment, healthcare and pharmaceuticals, and safety-related products. As an importer of U.S. aerospace and defense equipment, Japan has an ever-growing demand for U.S. defense procurement, advanced manufacturing, and cybersecurity solutions.

Top opportunities for Virginia exporters to Japan include:
- Civilian aircraft and related parts
- Aerospace and defense equipment
- Pharmaceuticals
- Medical devices
- Industrial machines
Opportunities in South Korea

Defense and Security
The National Assembly in South Korea approved military spending for a budget set at approximately $42 billion for 2020. Of the total, the government will spend about $12 billion on arms purchases and $28 billion for managing military assets and forces, among other projects. South Korea’s physical security market is estimated to be approximately $3 billion in 2020.

Opportunities for Virginia companies include: C4ISR, aircraft upgrades, high-tech sensors, radars and missile systems, support for combat equipment/MRO legacy parts and components, and optic devices.

Cybersecurity
In 2020, South Korea’s cybersecurity market is estimated as $5 billion which increased by 5.2% compared to last year. While South Korea is considered as one of the world’s fastest and most mobile IT infrastructures, it has an insecure infrastructure that is vulnerable to cyber-attacks.

Opportunities for Virginia companies include: IoT security, cloud computing security, and others.

Healthcare
South Korea is investing in its healthcare industry and hospital system by capitalizing on artificial intelligence, medical big data, and precision and high-tech regenerative medicine. The Korean government will spend $3.45 million a year for the bio health sector by 2025. In addition, the country plans to spend $14 billion in artificial intelligence, focusing on smart healthcare.

Opportunities for Virginia companies include: smart diagnostics and medical equipment, health IT related products, aged care-based products/services, advanced medicines for dementia, biorobotics, and others.
Opportunities in Japan

Healthcare
The healthcare sector in Japan is expected to grow steadily due to its aging population. The government estimates that medical expenditures will increase by 56.5% from 2018 to 2040. The adoption of electronic medical records to use health information big data is a major priority in Japan.

Opportunities for Virginia companies include: pharmaceuticals, diagnostics and medical equipment, preventative healthcare products, aged care-based products/services, health IT & software solutions (security/privacy and cloud computing), and others.

IT
The market size of IT business in Japan is estimated to grow by 2.4% from 2018 to 2023. The growth is expected to be led by the launch of 5G technology and potential demand of productivity improvement especially in the service sector. The public cloud services market in Japan will grow nearly 20.4% annually from 2018 to 2023. The market size is expected to grow to be approximately $15.4 billion in 2023.

Opportunities for Virginia companies include: new technology in cybersecurity, block chain, IoT, AI, Big Data, RPA, sharing services, drones, autonomous driving, and others.

Security and Cybersecurity
The security service and device market is predicted to grow by 8.9% from 2018 to 2022. In addition, cybersecurity is another burgeoning sector. The field of security software and appliance is expected to grow by 15% from 2018 to 2023.

Opportunities for Virginia companies include: biometrics, security robots and drones, home security services, image analysis, AI for security cameras, and others.
Details

The objective for this trip is to arrange and conduct quality meetings between you, our VEDP client, and potential sales partners (agents, representatives, or distributors) and/or customers in South Korea & Japan. Our ultimate goal is for these meetings to help you generate new sales for your company to customers in South Korea & Japan and to provide you with market intelligence only attainable by an in-country visit.

To verify that South Korea & Japan are good markets for your company, contact your local International Trade Manager or the Trade Mission Leader immediately! We only want you to make the trip if we think there is good market potential in South Korea & Japan for your company. We can perform exploratory market research within a short period of time to verify market potential for you. The more time you give us, the better job we can do!

Trade Mission Dates
October 12-16, 2020

Registration Deadline
August 14, 2020

Schedule:

We will visit Seoul, South Korea and Tokyo, Japan. However, there may be meetings in adjacent cities depending on your particular needs.

The itinerary is planned as follows, and is subject to change:

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Activity</th>
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</thead>
<tbody>
<tr>
<td>August 14, 2020</td>
<td>Friday</td>
<td>Last day for registration</td>
</tr>
<tr>
<td>October 9, 2020</td>
<td>Friday</td>
<td>Latest day to depart United States</td>
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<tr>
<td>October 11, 2020</td>
<td>Sunday</td>
<td>Rest / Sightseeing</td>
</tr>
<tr>
<td>October 12, 2020</td>
<td>Monday</td>
<td>Trade Mission begins; Individual meetings in Tokyo, Japan</td>
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<tr>
<td>October 13, 2020</td>
<td>Tuesday</td>
<td>Individual meetings in Tokyo, Japan</td>
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<tr>
<td>October 14, 2020</td>
<td>Wednesday</td>
<td>Half day of individual meetings; Travel to Seoul, South Korea</td>
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<tr>
<td>October 15, 2020</td>
<td>Thursday</td>
<td>Individual meetings in Seoul, South Korea</td>
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<tr>
<td>October 16, 2020</td>
<td>Friday</td>
<td>Individual meetings in Seoul, South Korea</td>
</tr>
<tr>
<td>October 17, 2020</td>
<td>Saturday</td>
<td>Return to United States</td>
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Registration

Register and pay the trade mission fee online: [https://southkoreajapantrademission2020.eventbrite.com](https://southkoreajapantrademission2020.eventbrite.com)

The registration process is ongoing. Based on past trade missions, we expect 6-10 Virginia companies to participate.

You must pay the trade mission participation fee of $2,500 to the VEDP at the time of registration. The participation fee includes the following:
- Identifying, contacting, and pre-qualifying local distributors, reps, and/or partners and organizations of your meetings with interested parties
- Briefing on “Doing Business in South Korea and Japan”
- Your VEDP Trade Mission Leader and in-country consultant on hand during the week to ensure everything runs to plan

Additional estimated costs you will incur include (but are not limited to):

<table>
<thead>
<tr>
<th>Expense</th>
<th>Estimated amount ($)</th>
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<tbody>
<tr>
<td>Round-trip airfare from Dulles to Seoul, Tokyo to Dulles, Economy class</td>
<td>1,500</td>
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<tr>
<td>Hotels (7 nights)</td>
<td>2,000</td>
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<tr>
<td>Meals</td>
<td>750</td>
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<tr>
<td>Airport transfers, taxis, public transportation, and other miscellaneous items</td>
<td>500</td>
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</tbody>
</table>

Meetings

The VEDP has engaged the services of Korea Business Services (South Korea) and Fenetre Partners (Japan), to identify, screen, and arrange meetings with potential partners for each of our trade mission delegates. Both firms were selected through a competitive bidding process and have demonstrated extraordinary expertise, enthusiasm, and commitment to the work of introducing Virginia companies to their markets. If you would like to learn more about Korea Business Services, please review their website: [http://kbsinc.co.kr/](http://kbsinc.co.kr/), and Fenetre Partners at: [https://www.fenetre.co.jp/](https://www.fenetre.co.jp/).

In most cases, you will be traveling independently to the locations of the local companies with which you are meeting. Because most appointments will be held at the companies’ locations, travel, and other logistics may prevent each delegate from having a minimum of 3-4 meetings each day of the trade mission.

Transportation

For travel between meetings, our consultants will recommend the most effective method of transportation and provide information regarding train schedules and other travel logistics.

Communication

When needed, interpreters will be provided by VEDP and are included in your registration fee.
Our company found it very useful to be able to have a pre-evaluated list of potential partners and to have all appointments arranged across the short time available. This has saved a lot of time and allowed us to proceed faster in selecting a new partner for an important market.

2017 Attendee, Trade Mission to South Korea

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TEDP’s in-country consultant did a great job identifying and vetting potential distribution partners. All our meetings were productive and focused. Overall, this trade mission was a very good experience and we will encourage other Virginia companies to participate.

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Consultant Bios

South Korea

Ken Yang

Ken Yang has over 27 years of experience in international trade, investment promotion, market development, market research, food and agricultural product promotion, and investment advisory services both for private and public businesses. Ken has been working with global businesses with professional knowledge in the various industry sectors including advanced manufacturing, healthcare & medical, pharmaceutical & life science, chemical, environmental & industrial machinery, information technology, alternative energy, electric and electronic, instrumentation, consumer goods, foods and agricultural products, hardwoods, and technology transfer.

Ken currently represents American State Economic Development Organizations including Virginia Economic Development Partnership, State Regional Trade Groups; food export promotion agencies; and higher education institutes. In addition, Ken has been working with various government organizations and private companies from Switzerland, Germany, Spain, Italy, UK, France, Brazil, and Mexico.

Ken received an MBA in International Business from Sogang Graduate School of Business Administration.

Japan

Satoshi Takayama

Satoshi is the Representative Director and co-founder of Fenetre Partners, Ltd., with over 15 years experience in Japanese industrial market as an engineering marketing and sales professional for European and American companies. His previous work involved serving as a territory manager in charge of industrial filter products of Parker Hannifin Japan, Ltd. in which he was awarded “Best Sales Person of the Year” and “Best Contributor of the Year.”

He established Fenetre Partners in 2008 and has worked for mainly machinery and components suppliers from the U.S. and Germany for their market entry into Japan.

He earned his B. Engineering (Mechanical Engineering) from Waseda University and MBA from Manchester Business School.