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COUNTRY DOSSIER

South Korea

January 2024

Country Dossier – South Korea

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India has emerged as a major investment destination for Korean firms. Since India and Korea launched the "Korea Plus" initiative to promote Korean investments in India, Korea's FDI into India stood at USD 7.8 billion. Korea Plus initiative between the two countries aims to generate prospects and streamline investment. This desk collaborates with various stakeholders to facilitate investment, address challenges encountered by South Korean companies, and advocate for policy matters to the Indian government on their behalf. The desk was engaged in discussions with 17 Korean investors and is now facilitating up to 10 of them on investment proposals. Meanwhile, the Korea Trade Investment Promotion Agency (KOTRA), a government initiative for promoting trade and investment, both outbound and inbound, acts as a solid link to enhance business engagement between South Korean firms and global organisations.

Sectoral Synergies

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Manufacturing

- India is witnessing significant investment from South Korean automotive giants like Hyundai and Kia, especially in the EV sector. Hyundai India acquired General Motor's Talegaon plant in Maharashtra and would invest USD 723 million in Maharashtra. With the acquisition, Hyundai's production capacity is expected to surge to one million from more than 800,000 currently. The Korean automobile major will utilise the increased production capacity to launch additional EV models in India.
- Hyundai also signed a non-binding agreement with the Tamil Nadu government to invest USD 745 million on various initiatives, including establishing a hydrogen resource center.
- Kia has committed to invest USD 24 million over the next four years in India to increase its presence in the electric vehicle segment.
- JSW is in early-stage talks with Korea's LG Energy Solution (LGES) to jointly manufacture batteries in India. LGES supplies battery cells to significant automakers, including Tesla and General Motors, and has asked JSW to share its EVs and energy storage requirements.
- LG Electronics India expects around 10 % growth in FY24 and is exploring new business categories such as healthcare and water purification here, besides investing further in its manufacturing ecosystem.

Semiconductors

- South Korean chipmaker SK Hynix is evaluating India's semiconductor manufacturing incentive scheme and is exploring the prospects of setting up a packaging facility in the country. The company is in the final stages of preparing its proposal. While the company primarily manufactures memory chips, including computing memory, consumer and network memory, and graphics memory, it considers India to be an assembly and testing destination.

Online Gaming

- Krafton Inc., renowned for its global mega-hit PlayerUnknown's Battlegrounds (PUBG), is slated to ramp up investment in India to expand its presence. The gaming firm's Indian affiliate said it will invest an additional USD 150 million into the country over the next two to three years, following a combined USD 140 million investment in 11 Indian companies. These previous investments include USD 22.5 million in e-sports firm Nodwin Gaming and USD 5.4 million in the Nautilus Mobile.

Defence

- Hanwha Aerospace is planning several defence collaborations with the Indian army, including the ambitious Future Infantry Combat Vehicle (FICV) Project, which aims to replace aging Soviet-made infantry vehicles. The company will also collaborate with Larsen & Toubro (L&T) to produce infantry fighting vehicles. It has previously collaborated with L&T to deliver self-propelled howitzer (SPH) K-9 Vajra.
- Hanwha Aerospace is actively seeking to export lithium-ion batteries for submarines to India.

Sectoral Synergies

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Logistics

- Global asset management company Mirae Asset has acquired a pre-leased and income-producing warehousing property spread over 11 acres in Bhiwandi near Mumbai from property and logistics developer BGR Constructions LLP, furthering its investments into logistics and industrial real estate in India. Before this, Mirae Asset had acquired another pre-leased and income-producing warehousing property spread over 10 acres in Bhiwandi with a 300,000 sq ft leasable area.

Fintech

- Mirae Asset Global Investments, which invests via multiple private and public equity-focused vehicles, is all set to double down on one of its key investments in Indian startups participating in the new funding round of third-party logistics (3PL) services provider Shadowfax. Mirae Asset first invested in Shadowfax in 2018-2019 as part of the company's Series C round of USD 22 million and contributed around USD 5 million at the time.
- Mirae Asset Securities would acquire French bank BNP Paribas' Indian retail brokerage unit, Sharekhan, in a USD 370.11 million (487 billion won)deal. It would also gain a 99.9% stake in India's Human Value Developers for around 199 billion won. Human Value Developers owns a 27.24% stake in Sharekhan.

Cosmetics

- South Korean beauty and cosmetics conglomerate Amorepacific Corp. has set an ambitious goal of quadrupling its physical stores in India, of which a hundred will be opened in partnership with Reliance Retail Ventures Ltd. The owner of brands like Innisfree and Etude House has signed agreements with Reliance Retail to sell through its beauty store—Tira.

Startups

- The India-Korea Startup Hub is a one-stop platform to bring the Indian and Korean startup ecosystems closer and to facilitate joint innovation between the two economies. The Hub was conceptualised as part of a joint statement signed between the Korea Trade-Investment Promotion Agency (KOTRA) and Invest India. The Hub will enable collaborations between startups, investors, incubators, and aspiring entrepreneurs of both countries and provide them with the requisite resources for market entry & global expansion.
- The Circle: Founders Club (The Circle FC), a business accelerator for early-stage startups in India (a portfolio company of Hunch Ventures), in collaboration with the Korea Institute of Startup & Entrepreneurship Development (KISED) has successfully assisted a batch of 13 high-potential South Korean startups to explore synergies in the Indian market. SchoiceHabsida, Urock Inc, Rezi, WhoseGoods, Wordvice, PiQuant, PowePlayer, DenQ, LabSD, Kairos, Mirinae, HiLokal, and You Need Character were the 13 Korean startups selected in the program, who boast of some innovative products and services ranging from Edtech, Healthtech, E-Commerce, AI, and Cybersecurity.

Confectionaries

- Lotte Confectionary is expanding its presence in India's ice cream market, investing USD 66 million over five years to boost the production of Havmor Ice Cream. The company plans to develop a state-of-the-art manufacturing plant in Maharashtra's Pune district, which is expected to become operational by June 2024.

Trilegal's historical experience with South Korean companies

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- **Trilegal advised and assisted IJF** in conducting limited due diligence and negotiating and finalizing transactions and ancillary documents. Deal Value USD 120 Million.
- **Trilegal advised Hyundai Motor** on acquisition of General Motors India's plant at Talegaon.
- **Trilegal advised Hyundai Rotem Company** on tax compliance issues in India.
- **Trilegal advised Hyundai Steel Company** on setting up of an integrated steel plant in India and conducting a feasibility study for the same.
- **Trilegal advised Hyundai Mobis** on preparation of a memo on queries on Indian regulations applicable to employee inventions.
- **Trilegal advised CLO Virtual Fashion** on strategies for setting up a presence in India, assistance with incorporation and related general corporate advice.

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