

# Business Environment in 2013

Generally it's persistent low growth in the global economy and new governments in major countries will take time to shape the business environment.

1. Sluggish prospects will last through the year
2. The weak growth will not spare any region or industry

# 6 Issues for Korean Companies

- Improving business fitness: rationalize, strengthen core capabilities
- Risk management
- Fair play: ethical practices, CSR
  - Corporate social responsibility is emphasized more than ever
- Building an ecosystem: strategic collaboration
- Appreciation of Korean won: non-price and non-mainstream strategy
- Emotional support for employees: Revitalization and encouragement

# Corporate Strategies during Low-growth

- Develop new business through focused innovation
- Established a strong presence in emerging markets based on customized products and services
- Increase market share in key business areas via M&A
- Shift to low-cost production models
- Deploy emotional marketing tactics

# 2012 FY Korea's Top 10 Hits

- Gangnam Style(Psy)
  - Rapper's horse dance
- Ani Pang
  - Easy-to-play, Mobile networking game
- 2012 Galaxy Series
- Vehicle Black Box
  - Drivers proof against damage claims
- London Olympic Athletes
- Energy Drinks
- LTE Services
  - Resolves delays and cut-off in mobile services
- Instant coffee Packets
- Korean Movies
  - Draw more than 100mio. Viewers
- Camping
  - Domestic travel for families

# Key Indicators

-KDI, SERI, LGERI

Indicators	2013(f)	2012(e)	2011	2010	2009	2008	2007	2006
Growth Rate (GDP, %)	2.9	2.2	3.6	6.1	0.2	2.8	4.9	5.0
(Consumer)	2.4	1.6	2.3	4.2	0.2	0.7		
(Construction)	1.6	0.0	-5.0	-1.7	4.4	-2.5		
(Capex)	3.4	-1.0	3.7	23.8	-9.1	-2.8	7.5	7.6
Export Growth(%)	5.7	0.7	19.0	28.5	-13.9	14.5	7.5	20.4
Import Growth(%)	7.2	-0.3	23.5	31.5	-25.8	22.6	15.5	29.7
Current Account	289.2	395.3	240.0	290.0	328.0	-60	(100mio.U\$)	
Consumer Index(%)	2.7	2.3	4.0	2.9	2.8	4.6	2.5	2.2
Unemployment rate(%)	3.4	3.5	3.4	3.7	3.6	3.2	3.2	3.5
Exchange Rate(1U\$)	1,054	1,127	1,108	1,158	1,277			
Interest rate(company bon	3.8	3.7	4.4	4.6	5.8			

# References

- KERI: Korea Economic Research Institute
- SERI: Samsung Economic Research Institute
- KIET: Korea Institute for Industrial Economics and Trade
- LGERI: LG Economic Research Institute