

FDI SYNOPSIS ON SOUTH KOREA

(as on 31.05.2009)

- **Cumulative FDI inflows and approvals during 1991-2009 (up to May):**
 - **FDI equity inflow is US\$ 111.0 billion**, including amount of acquisition of existing shares (upto 1999), RBIs-NRI Schemes, stock swapped & advance pending for issue of shares.
 - **FDI approvals** during the last seventeen years are over **US\$ 89.5 billion**.

- **Share of South Korea with FDI inflows and approvals:**

In FDI inflows-

- **South Korea ranks 12th**;
- **Percentage share with total FDI inflows is 0.87%**;
- **Total FDI inflows from South Korea are US\$ 1.0 billion**.

In FDI approvals-

- **South Korea ranks 7th**;
- **Percentage share with total FDI approvals is 2.90%**;
- **Total FDI approved for South Korea is US\$ 2.7 billion**.

- **Top Sectors attracted FDI inflows & approvals:**

FDI inflows (from January 2000 to May 2009):

- Automobile Industry (18 %);
- Metallurgical Industries (15 %);
- Electronics (14 %);
- Housing & Real Estate (10 %) &
- Industrial Machinery (7%).

FDI approvals (from August 1991 to March 2009):

- Transportation Industry (39 %);
- Fuels (power & oil refinery) (32 %);
- Electrical Equipments (including computer software & electronics) (10 %),
- Chemicals (other than fertilizer) (6 %) &
- Commercial, Office & House Hold Equipments (4 %).

- **Technical collaborations:**

- **Since 1991, total technical collaborations are: 8,060 Nos.**
- Of these, **South Korea** has been granted **230 technical collaborations**.
- **Share of South Korea with total is 2.85%**
- Top sectors attracting technology transfer from **South Korea** are:
 - Transportation Industry (57 nos.),

- Electrical Equipments (including computer software & electronics) (48 nos.),
- Chemicals (other than fertilizer) (19 nos.),
- Misc. Mechanical Engg. Industries (14 nos.), and
- Metallurgical Industries (13 nos.).

➤ ***Top inflow received during January 2000 to May 2009 from South Korea through Indian companies are:***

- M/s. Posco India P. Ltd.
- M/s. Maire Assets Global Investement MGT. (I) P. Ltd.
- M/s. Hyundai Construction Equipment (I) P. Ltd.
- M/s. Samsung India Electronics Ltd.
- M/s. Samsung India Electronics (India) Pvt. Ltd.
- M/s. Parry Confectionery Ltd.
- M/s. MOBIS (I) Ltd.
- M/s. Samsung Telecommunications(I) P. Ltd
- M/s. Poss Delhi Steel Processing Centre
- M/s. Krishna Filaments Ltd.,
- M/s. Yando Brake Systems (I) Ltd.,
- M/s. Samsung (I) Software Operations,

BRIEF NOTE ON FOREIGN COLLABORATION WITH SOUTH KOREA

An analysis of the foreign collaborations and foreign direct investment (FDI) approved by the Government after the announcement of new industrial policy since August, 1991 shows that FC approvals and investment from **South Korea** has risen substantially.

2. **Cumulative FDI Inflows** received during **1991-2009 (up to May)** is **Rs. 4,756.3 (US\$ 111.0) billion**. Out of this, FDI inflow from **South Korea (Ranks 12th)** is **Rs. 41.5 (US\$ 1.0) billion which is 0.87%** of the cumulative inflows received from FIPB/SIA, RBI's automatic routes & acquisition of existing shares (from the year 2000 onwards) during August 1991 to March 2009. However, this amount does not include inflows received through acquisition route prior to January, 2000. Further, FDI Inflows on Sector specific data in respect of South Korea are available only for the period January, 2000 to May, 2009. The amount of FDI inflows for project specific in respect of all countries is not centrally maintained prior to January, 2000

3. From **August 1991 to March 2009**, Government has approved **28,248 foreign collaborations** (technical & financial) proposals with a corresponding foreign direct investment of **Rs. 3,500.5 (US\$ 89.5) billion**. Out of this the total number of approvals with South Korea have been of the order of **635 (2.25% the total approvals)** with an equity participation of **Rs. 101.44 (US\$ 2.71) billion (2.9% of the total Investment in US\$ terms)**. South Korean companies rank **7th** in the list of countries in terms of cumulative FDI approved from August 1991 to March 2009.

4. The tables given below indicate the year-wise figures of Investment approved, FDI inflows & foreign collaborations with **South Korean companies** since 1991-

4.1. YEAR-WISE INFLOWS OF FOREIGN DIRECT INVESTMENT:

(Amount in million)

<i>Year (Jan-Dec)</i>	<i>From South Korea</i>		<i>From all Countries</i>	
	<i>In Rupees</i>	<i>In US\$</i>	<i>In Rupees</i>	<i>In US\$</i>
Aug.1991 to Dec. 1999	20,920.85	571.76	576,821.2	16,019.8
2000	761.65	17.71	123,537.3	2,873.0
2001	203.03	4.51	167,777.5	3,728.4
2002	1,814.37	37.80	181,955.6	3,790.7
2003	1,128.62	24.54	116,172.6	2,525.5
2004	1,227.14	26.68	172,665.2	3,753.6
2005	2,943.09	66.00	192,990.9	4,361.5
2006	2,935.48	64.62	503,572.5	11,119.4
2007	2,805.80	67.61	797,359.6	19,156.0
2008	6,214.49	148.10	1,397,687.8	33,039.8
2009 (Jan. - May)	495.57	10.01	525,748.6	10,611.2
Total (1991-2009)	41,450.09	1039.34	4,756,288.8	110,978.9

4.2. YEAR-WISE FOREIGN DIRECT INVESTMENT APPROVED:

(Amount in million)

Year (Jan-Dec)	<i>With South Korea</i>		<i>With all Countries</i>	
	<i>In Rupees</i>	<i>In US \$</i>	<i>In Rupees</i>	<i>In US\$</i>
Aug. 1991 - Dec. 1999	96,901.0	2605.4	1,870,270.2	53,245.5
2000	410.8	9.6	172,369.7	4,008.6
2001	667.6	14.8	209,396.7	4,653.3
2002	290.3	6.0	110,581.0	2,303.8
2003	615.3	13.4	54,165.9	1,177.5
2004	162.8	3.5	87,412.5	1,900.3
2005	672.5	15.4	78,995.3	1,775.4
2006	1,034.00	23.1	230,036.1	5,111.2
2007	686.8	15.7	199,111.1	4,772.8
2008	0.0	0.0	446,083.3	9,685.8
2009 (Jan.-Mar.)	0.0	0.0	42,104.6	850.6
Total (1991-2009)	101,441.1	2,706.9	3,500,526.4	89,484.8

4.3. YEAR-WISE FOREIGN COLLABORATIONS APPROVED WITH SOUTH KOREA:

(No. of Approvals)

Year (Jan-Dec)	<i>No. of FC Cases Approved</i>				
	<i>With South Korean firms</i>		<i>With all Countries</i>		
	<i>Total</i>	<i>Financial</i>	<i>Total</i>	<i>Financial</i>	
August 1991 to December 1999		452	277	16,390	10,175
2000		31	22	2,120	1,702
2001		32	21	2,264	1,976
2002		41	27	2,270	1,963
2003		39	26	1,871	1,550
2004		20	17	1,551	1,436
2005		9	7	526	445
2006		4	3	336	266
2007		5	3	383	257
2008		2	2	441	347
2009 (Jan.-March)		0	0	96	71
Total (1991-2009)		635	405	28,248	20,188

5. SECTOR-WISE DISTRIBUTION OF FDI INFLOWS & APPROVALS:

5.1. FDI INFLOWS:

On perusal of the sector-wise distribution of **FDI inflows** received from **South Korea**. from 01.01.2000 to 31.05.2009 shows that the highest inflows have been in the Automobile Industry which accounts for about 18% of FDI inflows from

South Korea, Metallurgical Industry (over 15%) is in the second place and Electronics (over 14%) is in the third place.

5.1.1. SHARE OF TOP SECTORS ATTRACTING FDI INFLOWS FROM SOUTH KOREA (from January 2000 to May 2009):

(Amount in million)

Ranks	Sector	Amount of FDI inflows		%age with FDI inflows from South Korea
		In Rupees	In US\$	
1.	Automobile Industry	3,687.23	86.00	17.96
2.	Metallurgical Industries	3,097.78	69.90	15.09
3.	Electronics	3,014.70	64.74	14.68
4.	Housing & Real Estate	2,031.99	48.75	9.90
5.	Industrial Machinery	1,512.51	36.91	7.37
Total of above		13,344.21	306.30	65.00

Note : (i) Amount includes the inflows received through FIPB/SIA route, acquisition of existing shares & RBI's automatic route only.
(ii) The amount of FDI inflows in respect of the Country & Sector specific data is not provided by RBI, Mumbai prior to January 2000

5.2 FDI APPROVALS.

On perusal of the **sectoral** break-up of investment cases of **South Korean companies** approved by the Government from 01.08.1991 to 31.03.2009 shows that the highest investment proposals have been in the Transportation Industries which accounts for over 39% of investment approvals from South Korea, Fuels sector (power & oil refinery) (32%) is in the second place and Electrical Equipments (including computer software & electronics) (10%) is in the third place.

5.2.1. SHARE OF TOP SECTORS ATTRACTING FDI APPROVALS:

(from August 1991 to March 2009)

(Amount in million)

Ranks	Sector	No of FDI approvals	Amount OF FDI approved		% age with FDI approved for South Korea
			In Rupees	In US\$	
1.	Transportation Industry	73	39,776.5	1,034.5	39.21
2.	Fuels (power & oil refinery)	8	32,366.5	832.3	31.91
3.	Electrical Equipments (including computer software & electronics)	73	10,590.4	303.6	10.44
4.	Chemicals (other than fertilizer)	32	6,055.8	175.4	5.97
5.	Commercial Office & House Hold Equipments	11	3,926.1	110.1	3.87
Total of above		197	92,715.3	2,455.9	91.40

6. As far as **technology transfer** is concerned, total number of **230 technical collaborations** has been approved for **South Korea** which accounts for **2.86%** of the total collaboration approved during **August 1991 to March 2009**. The highest technical collaboration has been in the Transportation Industry followed by

Electrical Equipments (including computer software & electronics) and Chemicals (other than fertilizer).

6.1. SHARE OF TOP FIVE SECTORS ATTRACTING TECHNOLOGY TRANSFER

(from August 1991 to March 2009):

Ranks	Sector	(No. of approvals)	
		No. of technical Collaboration approved	%age of technical collaborations approved for South Korea
1.	Transportation Industry	57	24.78
2.	Electrical Equipments (including computer software & electronics)	48	20.87
3.	Chemicals (other than fertilizer)	19	8.26
4.	Miscellaneous Mechanical & Engg.	14	6.09
5.	Metallurgical Industries	13	5.65

7. DETAILS OF TOP FDI INFLOWS RECEIVED FROM KOREA SOUTH THROUGH INDIAN COMPANIES (from January 2000 to May 2009):

(Amount in million)

S. No.	Name of the Indian Co.	Name of Foreign Collaborator	Sector	RBI's Regional Office	Amount of FDI inflows Rupees/ (US\$)
1.	Posco India P. Ltd.	Tae Hyun Jeongl & Posco	Semi Finished Iron & Steel Products NEC.	Bhubaneshwar	Rs. 2,250.0 (US\$ 50.2)
2.	Maire Assets Global Investement MGT. (I) P. Ltd.	Miare Asset Investment Management Co. L:td.	Housing & Real Estate	Mumbai	Rs.1,891.5 (US \$ 45.2)
3.	Hyundai Construction Equipment (I) P. Ltd.	Hundai Heavy Industries Co. Ltd	Industrial Machinery	Mumbai	Rs.1,256.1 (US \$31.2)
4.	Samsung India Electronics Ltd.	Samsung Electronics Co. Ltd. Acquisition of share.	Electronics	--	Rs. 1,147.8 (US\$ 23.9)
5.	Samsung India Electronics (India) Pvt. Ltd.		Electronics	New Delhi	Rs. 707.9 (US\$ 15.3)
6.	Parry Confectionery Ltd.	Lotte Confectionery Co. Ltd. Acquisition of share	Other (Food Products)	--	Rs. 644.8 (US\$ 14.0)
7.	MOBIS (I) Ltd.	Hyundai Mobis Korea (South)	Others (Transport)	Chennai	Rs. 634.4 (US \$ 14.8)
8.	Samsung India Electronics Ltd	-	Electronics	New Delhi	Rs. 577.5 (US\$ 12.6)
9.	Samsung Telecommunicatio ns(I) P. Ltd	Samsung Electronics Co. Ltd	Cellular Mobile/Basic Telephone Service		Rs. 440.0 (US\$ 9.5)
10.	Poss Delhi Steel Processing Centre	Pasco Co. Ltd	Misc. Mechanical & Engineering Industries		Rs.425.2 (US\$ 10.4)

**TOP 20 INFLOW CASES
FROM JANUARY 2000 TO MAY 2009
Country Korea (South)**

(Amount in million)

Sl. No	Indian Company Name and Address	Foreign Collaborator Name Country	Amount of Foreign Direct Investment Inflows (in Rs)	Amount of Foreign Direct Investment Inflow (in US\$)
1	POSCO INDIA P LTD.,	TAE HYUN JEONGL & POSCO Korea(South)	2,250.00	50.20
	Year : 2005 Month 10 RBI's Region : BHUBANESHWAR		Sector : NON-FERROUS Item : SEMI FINISHED IRON & STEEL PRODUCTS NEC.,	
2	MIRAE ASSET GLOBAL INVESTMENT MGT.I.P.L	MIRAE ASSET INVESTMENT MANAGEMENT CO LTD Korea(South)	1,192.34	27.77
	Year : 2008 Month 08 RBI's Region : MUMBAI		Sector : HOUSING & REAL ESTATE (INCLUDING CINEPLEX,MULTIPLEX,INTEGRATED TOWNSHIPS & COMMERCIAL COMPLEXES ETC.) Item : REAL ESTATE ACTIVITES	
3	SAMSUNG INDIA ELECTRONICS LTD.,	SAMSUNG ELECTRONICS CO. LTD., Acquisition of Share	1,147.72	23.91
	Year : 2002 Month 11 RBI's Region : REGION NOT INDICATED		Sector : ELECTRONICS Item :	
4	HYUNDAI CONSTRUCTION EQUIPMENT INDIA P.L	HUNDAI HEAVY INDUSTRIES CO LTD Korea(South)	860.20	21.32
	Year : 2008 Month 03 RBI's Region : MUMBAI		Sector : INDUTRIAL MACHINERY Item : CONSTRUCTION MACHINERY NEC	
5	MIRAE ASSET GLOBAL INVESTMENT MGT (I) P.	MIRAE ASSET INVESTMENT MGT CO. LTD.; Korea(South)	699.15	17.47
	Year : 2008 Month 04 RBI's Region : MUMBAI		Sector : HOUSING & REAL ESTATE (INCLUDING CINEPLEX,MULTIPLEX,INTEGRATED TOWNSHIPS & COMMERCIAL COMPLEXES ETC.) Item : REAL ESTATE ACTIVITIES	
6	PARRY CONFECTINERY LTD	LOTTE CONFECTIONERY CO LTD Acquisition of Share	644.77	14.02
	Year : 2004 Month 06 RBI's Reaion : REGION		Sector : OTHERS(FOOD PRODUCTS)	

Sl. No	Indian Company Name and Address	Foreign Collaborator Name Country	Amount of Foreign Direct Investment Inflows (in Rs)	Amount of Foreign Direct Investment Inflow (in US\$)
	NOT INDICATED		Item : BUY, SELL, IMPORT/ EXPORT OF CONFECTIONERIES	
7	SAMSUNG INDIA ELECTRONICS LTD	Korea(South)	577.50	12.55
	Year : 2003 Month 06 RBI's Region : NEW DELHI		Sector : ELECTRONICS Item : ELECTRONICS	
8	SAMSUNG ELECTRONICS (INDIA) PVT. LTD.,	Korea(South)	488.18	10.17
	Year : 2002 Month 05 RBI's Region : NEW DELHI		Sector : ELECTRONICS Item :	
9	SAMSUNG TELECOMMUNICATIONS (I) P. LTD.	SAMSUNG ELECTRONICS CO. LTD. Korea(South)	440.00	9.54
	Year : 2006 Month 09 RBI's Region : NEW DELHI		Sector : CELLULAR MOBILE/BASIC TELEPHONE SERVICES Item : TELEPHONE COMMUNICATION SERVICES	
10	POSS DELHI STEEL PROCESSING CENTRE P.LTD	PASCO CO.LTD Korea(South)	425.23	10.43
	Year : 2007 Month 06 RBI's Region : NEW DELHI		Sector : MISCELLANEOUS MECHANICAL & ENGINEERING INDUSTRIES Item : PARTS AND ACCESSORIES NEC FOR MACHINERY & EQUIPMENT USED BY CONSTRUCTION AND MINING INDUS.	
11	HYUNDAI CONSTRUCTION EQUIPMENT (I) P. LT	HYUNDAI HEAVY INDUSTRIES CO. LTD. Korea(South)	395.88	9.89
	Year : 2008 Month 04 RBI's Region : MUMBAI		Sector : INDUSTRIAL MACHINERY Item : MANUFACTURE OF CONSTRUCTION MACHINERY	
12	SAMSUNG INDIA ELECTRONICS LTD	SAMSUNG ELECTRONIC CO.LTD Korea(South)	375.60	8.59
	Year : 2005 Month 03 RBI's Region : NEW DELHI		Sector : ELECTRONICS Item : OTHER ELECTRONIC COMPINENTS NEC	
13	KRISHNA FILAMENTS LTD.,	Korea(South)	350.00	8.14
	Year : 2000 Month 08 RBI's Region : MUMBAI		Sector : OTHERS (MISC.INDUSTRIES) Item :	
14	YANDO BRAKE SYSTEMS (I) LTD.	MANDO CORPN. Korea(South)	346.97	7.77
	Year : 2006 Month 12 RBI's Region : CHENNAI		Sector : MACHINE TOOLS Item : MANUFACTURE OF MACHINE TOOLS. THEIR PARTS &	

Sl. No	Indian Company Name and Address	Foreign Collaborator Name Country	Amount of Foreign Direct Investment Inflows (in Rs)	Amount of Foreign Direct Investment Inflow (in US\$)
			ACCESSORES	
15	SAMSUNG INDIA SOFTWARE OPERATIONS	SAMSUNG ELECTRONICS COMPANY Korea(South)	325.99	8.28
	Year : 2008 Month 01 RBI's Region : BANGALORE		Sector : COMPUTER SOFTWARE INDUSTRY Item : DATA PROCESSING, SOFTWARE DEVELOPMENT	
16	MOBIS (I) LTD.	HYUNDAI MOBIS . Korea(South)	325.40	7.26
	Year : 2006 Month 11 RBI's Region : CHENNAI		Sector : OTHERS (TRANSPORT) Item : MANUFACTURE OF OTHER TRANSPORT EQUIPMENT NEC	
17	MOBIS (I) LTD.	HYUNDAI MOBIS Korea(South)	309.01	7.58
	Year : 2007 Month 06 RBI's Region : CHENNAI		Sector : OTHERS (TRANSPORT) Item : MANUFACTURE OF OTHER TRANSPORT EQUIPMENT NEC	
18	HANIL AUTO INTERIORS (INDIA) PVT LTD	HANILE HWA CO. LTD Korea(South)	220.67	5.41
	Year : 2007 Month 08 RBI's Region : CHENNAI		Sector : AUTO ANCILLARIES/PARTS Item : INTENAL COMBUSTION PISTON	
19	SAMASUNG ELECTRONICS (INDIA) PVT. LTD.,	Korea(South)	219.70	5.11
	Year : 2000 Month 09 RBI's Region : NEW DELHI		Sector : ELECTRONICS Item :	
20	POS INDIA STEEL PROCESSING CENTRE PVT. L	POSCO Korea(South)	216.51	5.14
	Year : 2008 Month 05 RBI's Region : MUMBAI		Sector : NON-FERROUS Item : MANUFACTURE OF IRON & STEEL IN PRIMARY FORMS NEC .	
Total Inflow :				
Rs million : 11,810.81				
US\$ million : 270.54				