

Paving the way for improved Malaysia-Korea trade

photos by SHARIL AMIN

GBC-KL brings back Malaysia's largest Korea sourcing fair, catering to the best in industry among the two nations

THE rise of South Korea from one of the poorest nations in the world to its current status as an economic and cultural powerhouse has been well documented, particularly its growth by leaps and bounds during the latter half of the 20th century in a phenomenon that has been termed The Miracle on the Han River.

Today, its export-centric approach has paid off in dividends, earning it a place among the G20 nations with a gross domestic product (GDP) in 2013 of US\$1.16 trillion (RM3.88 trillion). Brands like Samsung have also taken the world by storm, riding on a K-fever wave driven by international icons such as Psy and SNSD, as well as popular television dramas in the vein of Winter Sonata.

An international success story
“If you look at Korea in the 1960s, it was much worse off than Malaysia. GDP per head was US\$91 (RM305) according to the World Bank, and it was caught between China on the left and Japan on the right. Because of this, president Park Chung-hee focused on building up the nation's competitiveness, particularly through support for small to medium enterprises (SMEs),” said Gyeonggi Business Centre (GBC) Southeast Asia regional director Patrick On.

Acting as a hub for South Korea's subsequent development, Gyeonggi is the largest province in the country,

contributing more than 30% to its total national output and housing over a quarter of its entire population. Many Korean multinationals also have their headquarters in the area, including Hyundai-Kia, LG, Samsung and Costco.

Bringing the best of Gyeonggi's homegrown brands and services to Malaysia and vice versa, GBC Kuala Lumpur was established along with other sister branches worldwide as part of an initiative to develop Korean products and SMEs overseas. “We fulfill two roles as the foremost Korean trade centre in Asia. The first is marketing, and the second is trade events, which include inbound events such as G-Fair KL and outbound events, promoting goods and services both here and in Korea,” said On.

A celebration of cross-cultural collaboration

Returning this year on 2-3 December at the Shangri-La Hotel, Kuala Lumpur, G-Fair KL 2014 will feature over 64 booths and is projected to attract up to 2,500 business delegates. Industries involved will include health and beauty, consumer, electronics, electrical, industrial and water treatment, representing a diverse range of Korean SMEs.

“G-Fair is the largest event of its kind in Korea, and has been expanding worldwide. Over the past five years, it has been in Sao Paulo, Istanbul, Mumbai, Moscow, Jakarta, Shenyang and



GBC Southeast Asia regional director Patrick On

Shanghai just two months ago. This is our second time in Malaysia,” said On.

The fair's opening ceremony will be held on 2 December, and will be graced by the presence of Minister in the Prime Minister's Department Datuk Dr Wee Ka Siong and Deputy Federal Territories Minister Datuk Dr J Loga Bala Mohan, as well as South Korean ambassador to Malaysia Cho Byungjae and various heads of industry.

In line with GBC-KL's vision, G-Fair KL 2014 presents a unique opportunity for Malaysian entrepreneurs to explore collaborations and partnerships with their South Korean counterparts, with the additional benefits of free admission and pre-arranged 1:1 business networking sessions with complimentary interpretation services provided.

A holistic approach to trade

The fair is just one example of how GBC-KL has facilitated trade between the two nations since its inception, with over 3,000 companies represented to date. In its marketing capacity, the organisation assists Korean businesses in acquiring Malaysian dealers and distributors, though as with any partnership, the process works both ways.

“At any point in time, we handle about 30 companies from Korea, companies who would like to find partners in Southeast Asia. We run through the list of potential candidates for them and pair them with the best available option, after which sole distributorship or partnership agreements are signed. In that sense, we function as incubators for inbound traffic,” said On.

“G-Fair KL is actually the fourth such event we've had since September. In October, we also brought about 70 Malaysian and Singaporean companies to Korea, which is what we call an outbound event. Everything is prepared for them, from accommodations and logistics to welcome dinners, and they're matched with business partners based on industry and individual scope.”

In implementing its strategy, GBC-KL focuses on the three tenets

of connections, competency and customer service, embodying the highest standards in business and enterprise worldwide while delivering on its core mission of globalising both Korean and Malaysian products and services.

The organisation is also implementing a networking club for Asean delegates, based on the platforms of networking, recognition and learning, which will see its debut at G-Fair KL 2014 in collaboration with several regional associations.

Towards seamless trade

The event also celebrates the continuing cordial relationship between Malaysia and South Korea, which has persisted since the two first established diplomatic ties in 1960. Mutual trade has benefited as a result, as the effects of the free trade agreement (FTA) between South Korea and Asean member states signed in 2006 eliminate barriers to commerce throughout the region.

Moving forward, the Republic of Korea is considering a direct FTA with Malaysia, as all eyes turn to the nation as it assumes chairmanship of the Asean Economic Community in 2015. A Malaysia-Korea currency swap-financed trade settlement facility has also been introduced by Bank Negara Malaysia and the Bank of Korea, further facilitating cross-border trade between the two countries.

“Malaysia has become the centre of gravity in Asean, which has attracted strong attention from Korean industrial and retail interests. Looking from the outside in, we're one of the best countries infrastructure-wise, we have a large and IT-literate population, a stable government, and we're very SME-driven,” said On.

More Koreans are also choosing Malaysia as their base due to ongoing education programmes and the Malaysia My Second Home initiative, bringing foreign direct investment worth US\$10 bil (RM33.5 bil) to the country, with Malaysian investments in South Korea totaling US\$6 bil (RM20 bil). — By Aliff Yusri



G-Fair KL is the largest event of its kind in Korea, and is expanding to many cities worldwide



GBC-KL's trade events represent a diverse range of Korean SMEs and industries