

Samil PwC North Korea Investment Support Center

*Best Partner for
North Korea Economic
Cooperation*



Introduction of North Korea Investment Support Center

A huge wave of changes is being witnessed in connection with the relations between the two Koreas and between North Korea and the U.S. with many businesses and officers viewing these changes as new business opportunities. Furthermore, they seek to invite experienced experts who can provide accurate knowledge and information regarding North Korean investments and business opportunities.

As all expect, if North Korea starts moving to follow through on its international commitments with opts for reform and openness followed by all of the international sanctions for North Korea being lifted, the North can be turned into a vast market with great potentials, assisted by its abundant natural resources and qualified labor force. In the near future, there will be great opportunities opened up for global businesses and investors from Korea, its neighboring countries, Southeast Asia, the U.S., and Europe in various industrial fields including infrastructure and resources development.

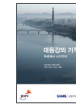
PwC Korea was the first accounting firm in Korea to launch the North Korea Investment Support Center in 2008 to study North Korea by inviting experts with substantial business knowledge and experiences. The center has already released two publications regarding North Korean investment and business, and has been operating its exceptional CEO courses (North Korean Economic Cooperation) for government agencies and businesses that have interest in North Korean investments, seeking to provide directions and visions on various aspects of North Korean business. Based on our knowledge and expertise on various businesses and industries backed by government agency networks, academia, research institutes, as well as our own distinctive connections, PwC Korea will provide optimum consultation services for businesses and officers wishing to make North Korean investments, especially in the areas of legal, accounting, tax, finance, as well as investment funds financing and recovery plan.

Team for Supporting North Korean Investment was launched in 2008

- Supporting North Korean investments by Korean/foreign businesses
- Publications:



『10 Commandments for North Korean Investment』
March 2010



『Miracle over Daedong River: From Gaeseong to Najin』
December 2013

Assisted the undertaking of North Korea economic cooperation projects

- Accounting data verification of business entities applying for business operation in Gaeseong Industrial Complex (“GIC”)
- Consultations on North Korean investments made through China; financial consultations on the Najin-Hasan Railway Project
- Various experiences and support such as investigation of damages of businesses having operation in GIC

Organizational expansion, reorganization and service scope expansion

- Organizational expansion to North Korea Investment Support Center (2015)
- CEO Courses for North Korea Economic Cooperation (8 years running)



- North Korea research institutes, cooperation with academia, and business seminars
- Unification roadmap study in the areas of North Korean accounting and tax

Service Area



GIC and SEZ Support

Consultations related to resumption/expansion of GIC and development of North Korean SEZs in Najin and Hasan, etc.



Supporting Tourist Zone Development (Mt. Kungang, etc.)

Consultations related to resumption/expansion of Mt. Kungang tourism and North Korean tourism projects (Wonsan, Mt. Baekdu, Mt. Chilbo, etc.)



Supporting Infrastructure & Resources Development

Consultations related to global infrastructure & PPP, private SOC investment projects, energy, power generation, group energy, coal & mining and infrastructure financing



Supporting Public Agency

Advices and consultations on energy, resources, transportation/infrastructure, finance, housing/welfare, entry into North Korea by NGOs, integrated consulting/advice service for public projects, related research and networking support



North Korean Legal/Accounting/Tax Support

Legal/accounting/tax advices on North Korean investment through professionals group involving lawyers, CPAs and tax accountants



International Finance Support

Funds financing through structured finance, from international organizations, global network or overseas private investors or by creating funds/investment organizations



Global

Global consulting service channels in operation covering China, Japan, Russia, Europe and the U.S., etc.

10 Commandments

for North Korean Investment proposed by PwC Korea

Know North Korea first

More than 60 years of division has widened the gap between the two Koreas in politics, culture, life style, etc. Understanding this is the first and foremost step.

Prepare thoroughly

Analyze past North Korean examples and prepare thoroughly to minimize risks.

Conduct a proper business feasibility study

Rather than being swayed by ungrounded expectations, substantially review relevant marketability and merchantability to make business profits.

Find the best partner

Find the most influential business partner in North Korea for effective business undertaking.

Be patient in negotiation

It is important to remain patient even if the business process is delayed due to external situations or internal issues in North Korea.

Reinforce your sense of duty and commitment

It is essential to have a sense of duty and reinforce the investment commitment with a long-term perspective by considering yourself as a partner helping to chart the way for mutual prosperity of the two Koreas.

Build a trustworthy relationship with North Korean workers

By providing education and welfare for North Korean workers, it would help to be trusted by North Korean workers, which will help promote business success and improve North Korea relations.

Make a full preparation against poor infrastructure

Be fully prepared against poor infrastructure, in particular various problems related to power supply, passage, customs passing, communication and funds, etc.

Lower expectations

Make a minimum initial investment, then invest more later, supported by a North Korea Cooperation Fund, etc.

Keep an eye on domestic/overseas political and economic situations

Carefully select the best timing for business initiation in light of domestic/overseas political situations, and have in place measures to act in response to any changes.

Contacts

Development of Gaeseong Industrial Complex and SEZ

Taeg-Hyun Hwang Partner
02-709-0462 thhwang@samil.com

Seung-Hun Kim Director
02-3781-9712 seunghkim@samil.com

Kyung-Hoon Kim Manager
02-709-8762 kh.kim@samil.com

Kyung-Chan Lee Senior Associate
02-709-0451 kclee@samil.com

Public Agency

Gyu-Seob Yoon Partner
02-709-0313 gysyoon@samil.com

Tae-Young Park Partner
02-709-0424 typark@samil.com

Byoung-Il Kim Partner
02-709-7079 bilkim@samil.com

Dong-Su Kim Partner
02-709-8931 dskim@samil.com

Hye-Yun Chang Partner
02-3781-9192 hychang@samil.com

Ok-Dong Yu Director
02-3781-0128 odyu@samil.com

Byung-Kwon Min Director
02-3781-0127 byungkmin@samil.com

Bo-Hwa Lee Senior Manager
02-3781-0124 bhlee@samil.com

Development of Tourist Zone (Mt. Kumgang, etc.)

Chang-Gerl Oh Partner
02-709-0545 cgoh@samil.com

Youngpae Lee Director
02-3781-9418 yplee4@samil.com

Yong-Goo Jo Manager
02-709-4086 ygjo@samil.com

JeeHun Lee Senior Manager
02-3781-9744 jehulee@samil.com

North Korean Legal/Accounting/Tax Support

Yong-Wook Jun Partner
02-709-7982 ywookjun@samil.com

Hong-Hyeon Kim Partner
02-709-3320 hhkim@samil.com

In-Byoung Yang Partner
02-3781-3265 ibyang@samil.com

Ji-Yun Hong Lawyer
02-3781-3050 jiyunh@samil.com

Ki-Wook Jung Senior Manager
02-709-8873 kiwjung@samil.com

Supporting Infrastructure and Resources Development

Seung-Cheol Shin Partner
02-709-0265 scshin@samil.com

Jae-Un Kim Partner
02-709-0732 jukim@samil.com

JungTak Han Partner
02-3781-0165 jtakhan@samil.com

Yongtae Suh Partner
02-3781-2340 ytseo@samil.com

SungPil Hwang Director
02-3781-1595 spwhang_1@samil.com

Jeong-In Ji Manager
02-709-8438 jjji@samil.com

Seung-Hoon Cha Senior Associate
02-709-8350 shcha@samil.com

International Finance Support

Sang-Woong Lee Partner
02-709-8850 swoonglee@samil.com

Byung-Guk Kim Partner
02-709-8535 byungkim@samil.com

Yong-Kug Shin Executive-Director
02-3781-9832 ykshin@samil.com

Yeon Chung Senior Manager
02-3781-1736 ychung@samil.com

Dong-Hun Ko Senior Manager
02-709-0714 dhunko@samil.com

Global

China

Yong-wook, Jun
02-709-7982 ywookjun@samil.com

Japan

Kyung-hoon, Kim
02-709-8762 kh.kim@samil.com

USA

Yeon Chung
02-3781-1736 ychung@samil.com

www.samil.com

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