



South Korea

Investing in the future

South Korea spends more on research and development than nearly any other country in the world. The country, which earned a spot as an Innovation Leader, spends 4.23 percent of GDP on R&D, second only to Israel in the Scorecard.

That distinction is all the more remarkable because less than two decades ago, South Korean R&D investment was about on par with the OECD average. The years since have seen an intense commitment from both the public and private sectors to invest in tech, research and IT infrastructure.

South Korea now has five of the world’s unicorns and global brands including Samsung, LG and Hyundai. The country also has the fastest average fixed broadband speed of any on the Scorecard.

Recently, South Korea committed to making self-driving vehicles an everyday reality as soon as possible. South Korean companies have already begun driving on public roads, and a pilot city — complete with 5G network capacity — has been designed specifically for testing. The government hopes to commercialize self-driving vehicles by 2020.

Sources: (Financial Times) (Nature) (Forbes) (Engadget)

WHAT DID WE DO RIGHT?

South Korea increased spending on research and development, with 4.23 percent of GDP going to R&D, has the best average fixed broadband speeds of any country on the Scorecard at 28.6 mbps, and actively supports development and testing of self-driving vehicles.

WHAT CAN WE DO BETTER NEXT YEAR?

South Korea can get rid of price minimums and licensing requirements that are keeping new ridesharing drivers out of the market.

Diversity	D+
Freedom	B-
Broadband	A
Human Capital	B-
Tax Friendliness	B-
R&D Investment	A+
Entrepreneurial Activity	B
Drones	B
Ridesharing	D
Short-Term Rentals	C
Self-Driving Vehicles	A
Environment	D-



Broadband

With an average speed of 28.6 mbps, South Korea far exceeds every other country for fixed broadband connections and is on par for mobile broadband speeds.



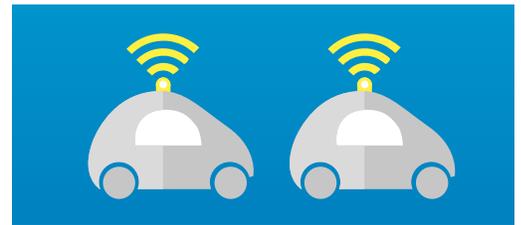
Entrepreneurial Activity

South Korea has produced five startups worth at least \$1 billion, a number higher than most other countries on the Scorecard, and starting a business is easier than most other countries.



Drones

The South Korean government has invested in commercial drone use, and recreational operators have a welcoming environment that includes drone parks and competitions.



Self-Driving Vehicles

South Korean companies have taken to public roads and highways to test self-driving vehicles, and the country has built an 88-acre test city to help meet an ambitious goal: commercializing self-driving cars by 2020. During the Pyeongchang Winter Olympics, Hyundai also deployed a fleet of self-driving buses to ferry passengers to and from events.

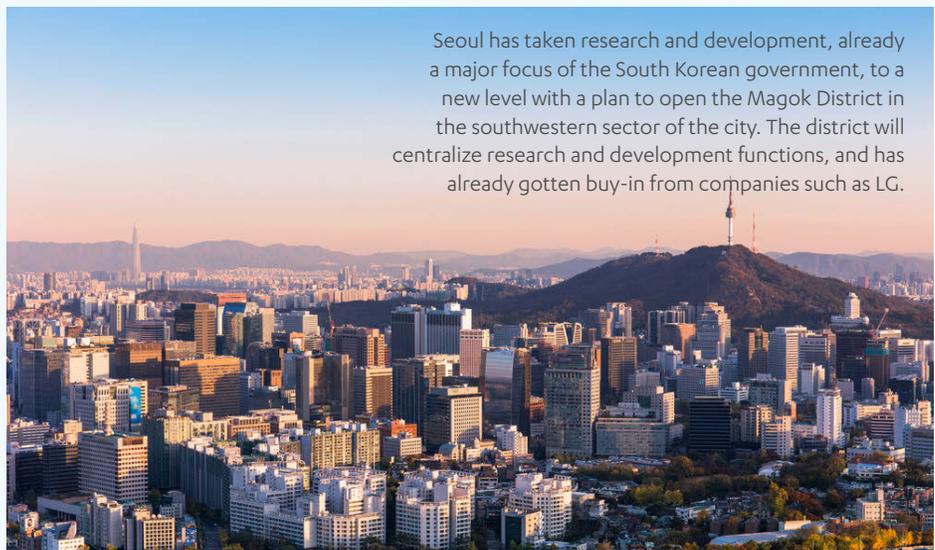
SEOUL

After building a name for itself as a global tech leader, South Korea shows no signs of slowing down. In 2015, South Korea spent over 4.2 percent of its GDP investing in research and development, continuing a trend that has been steadily rising since the early 2000s. And the nation’s government announced its intention to bring that number to five percent of GDP, continuing the uptick.

In Seoul, research and development activities have gained substantial attention and, in the process, government backing. In the southwestern sector of the city the government-supported Magok District will be built with an eye toward centralizing research and development functions to the benefit of innovation. Set to be completed in 2020, the district already has buy-in from several local companies.

In 2014, LG started construction on a research park in the district, with plans to invest \$3.7 billion until 2020. The company has plans to staff its facility with 25,000 researchers specializing in areas like biology, chemistry and energy.

Sources: (OECD) (Bloomberg) (Seoul Metropolitan Government) (ZDNet)



Seoul has taken research and development, already a major focus of the South Korean government, to a new level with a plan to open the Magok District in the southwestern sector of the city. The district will centralize research and development functions, and has already gotten buy-in from companies such as LG.