



# SOUTH KOREA

Population: 51,418,097 | GDP: \$2.035 trillion | Language(s): Korean | Unicorns 2009-2018: 3



## What did South Korea do right?

South Korea outspends nearly every other country on research and development, dedicating 4.2 percent of its GDP to R&D. The country encourages drone-related development and testing and doesn't have any broad flight bans for hobbyist operators over public spaces during the day. Although self-driving vehicles are not allowed on public roads in South Korea, vehicle testing is legal with a test permit.

## What can South Korea do better?

South Korea can adopt a more welcoming approach to the sharing economy by lifting its ban on ridesharing services — which earned the country a one-letter-grade decrease in its Ridesharing grade to an F. It also could relax restrictive regulations that require lodging licenses for short-term rental operators, a factor in the decline South Korea saw in its Short-Term Rentals grade from a C to a D.

## KEY TAKEAWAYS

South Korea preserved its status as an Innovation Leader, thanks in large part to its government's commitment to supporting innovation in a range of sectors.

The country spends 4.2 percent of its GDP on research and development, second only to Israel.

Although its new business entry rate is just 2.58 per 1,000 people, its Entrepreneurial Activity grade actually rose slightly to a B+ this year, thanks in part to government support for a ballooning domestic startup scene.

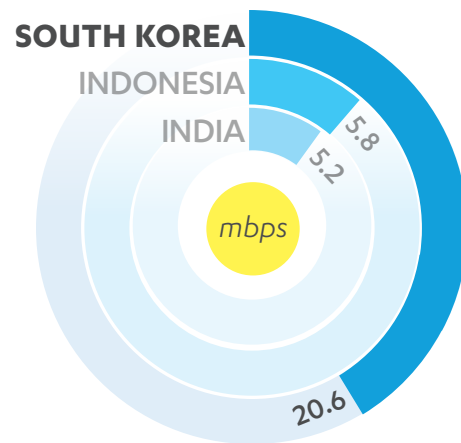
South Korean President Moon Jae-in's administration created the Ministry of SMEs and Startups, which has access to a fund of KRW 870 billion (approximately USD \$769 million) to support new businesses. Since 2009, the country has also seen three unicorns founded: e-commerce startup Coupang, L&P Cosmetic and Yello Mobile.

South Korea also continues to support self-driving vehicles (SDV). The government recently announced plans to map the streets of major cities in order to develop a smart traffic system, which will assist in the widespread rollout of SDVs.

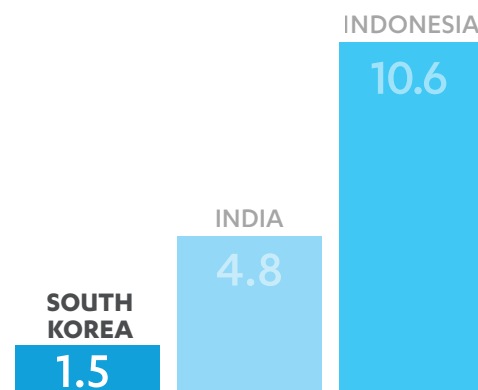
Sources: (Forbes) (ZDNet)



## Mean Download Speed (Fixed & Mobile)



## Fixed Broadband Cost Per Month



Shown as a percentage of gross monthly income per capita



### Resilience

South Korea has strong physical and IT infrastructure, a highly visible supply chain, an urbanized population and lower-than-average levels of corruption.



### Entrepreneurial Activity

The ease of starting a business in South Korea is high, and the new business entry rate is 2.58 per 1,000 people, an increase from 2.30 per 1,000 people in 2018.



### Tax Friendliness

Streaming services are not subject to tax. The corporate tax rate is 25 percent, and the top individual tax rate is 42 percent. South Korea's grade increased to a B+ from a B- in 2018.



### Drones

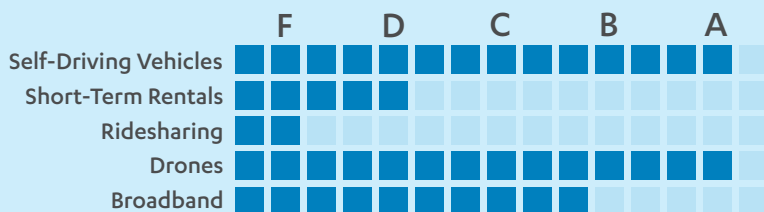
There are no permanent rules for commercial operation, but overall the country welcomes drone use and development and now has 18 drone testing sites in Seoul. South Korea's grade increased to an A from a B in 2018.



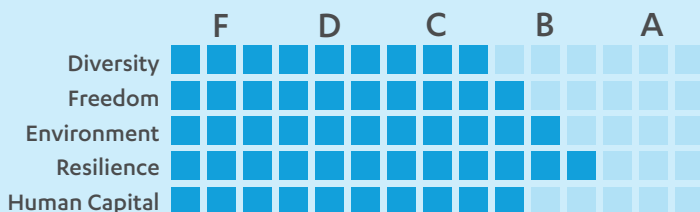
### Self-Driving Vehicles

Testing of self-driving vehicles is permitted on public roads, with requirements that a test permit be obtained and a human backup driver be present.

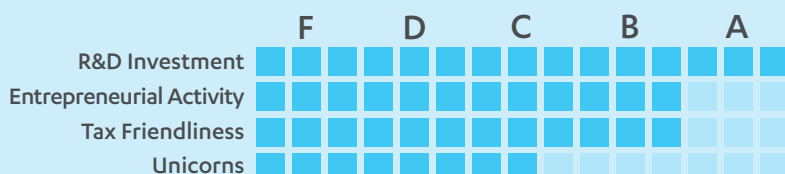
## Technology



## Society



## Economy



## ABOUT THE SCORECARD

With the 2019 International Innovation Scorecard, the Consumer Technology Association expands the report in breadth and depth, adding 23 new countries and two new categories. In this second edition, we evaluate 61 countries and the European Union across 28 indicators to determine whether they stifle progress or fuel the fires of innovation.

Each country on the Scorecard ranks in one of four tiers: Innovation Champions excel in almost all areas, followed by Innovation Leaders, which earn high scores in most. Behind the Leaders are Innovation Adopters, which promote innovation in some areas but not others. Finally, Modest Innovators may support innovation in one or more areas, but they show the greatest room for improvement.

## ABOUT CTA

The Consumer Technology Association (CTA)<sup>™</sup> is the preeminent trade organization representing the \$398 billion U.S. consumer technology industry, which supports more than 15 million jobs. CTA serves over 2,200 companies, ranging from the startups and small businesses that make up 80 percent of its membership to some of the world's best-known brands. CTA also owns and produces CES<sup>®</sup>, the world's premier gathering for consumer technology and the innovators who turn today's dreams into tomorrow's realities. Profits from CES are reinvested into CTA's industry services.

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