Session 1: Digital platforms for trade promotion

Experience on digital platforms in Korean TPOs

CORPYME:
Towards a digital infrastructure to promote the internationalization of SMEs
September 24 and 29, 2020
PROCOMER-REDIBERO-ECLAC-CELAC-REDVUCE

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A Firm’s Value Chain and Export

A firm’s export value chain includes activities beyond the country’s border.

All primary and secondary activities take place within an international context.

Export
- Customs, Inspections, Transportation, Trade insurance, Other Gov’t Organizations

Procurement, Production, Packaging, Global standard, certificates,

Inbound Logistics

Outbound Logistics

Operations

Marketing & Sales

Importer (Foreign Market)
- Distribution, Marketing, A/S

Service

< Feedback >
Identifying customer needs, local environment, etc.,

Exporter
- Business Plan, Research, Financing, R&D, HR management

< Feedback >

Procurement

Technology

Human Resource

Infrastructure
## Barriers of Export and SMEs

<table>
<thead>
<tr>
<th>Finding foreign buyers, and business partners (34.6)</th>
<th>(1) Limited capacity to find foreign buyers and/or foreign distributors</th>
<th>23.6</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(3) Inability to find foreign partners for the strategic alliance, joint investment, etc.</td>
<td>11.0</td>
</tr>
<tr>
<td>Lack of information on foreign markets (33.4)</td>
<td>(2) Lack of information on foreign markets, such as consumption trends, size of the market, consumer preference, etc.</td>
<td>16.3</td>
</tr>
<tr>
<td></td>
<td>(4) Lack of information on local laws, regulations, business customs, business practices, etc.</td>
<td>10.1</td>
</tr>
<tr>
<td></td>
<td>(8) Lack of information on competitors and their products in the market, local logistics, customs clearance, etc.,</td>
<td>7.0</td>
</tr>
<tr>
<td>Lack of capacity to conduct international business (19.6)</td>
<td>(5) Lack of production capacity (access to production financing, securing production facilities, compliance with the delivery date, etc.)</td>
<td>8.3</td>
</tr>
<tr>
<td></td>
<td>(7) Lack of human resource (incapable of hiring experienced personnel in international businesses – international contract, customs clearance, opening L/C, etc.)</td>
<td>8.1</td>
</tr>
<tr>
<td></td>
<td>(10) Lack of resources for acquiring international standards, foreign certificates</td>
<td>3.2</td>
</tr>
<tr>
<td>Miscellaneous (12.4)</td>
<td>(6) Limited access to trade financing</td>
<td>8.2</td>
</tr>
<tr>
<td></td>
<td>(9) Insufficient (integrated) consulting system for international business</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Source: Center for Large and Small Business Cooperation (2018).
Export-related Organizations and Digital Systems

- KITA: Korea International Trade Association (1954)
- KOTRA: Korea Trade and Investment Promotion Agency (1962)
- K-Sure: Korea Trade Insurance Corporation (1969)
- KEXIM bank: Korea Export and Import Bank (1976)
- KOSME: Korea SMEs and Startups Agency (1979)
- SME Export Support Center (2014 - )
- UtradeHub (KTNET) launched in 2007
- UNIPASS (KCS) launched in 2006
Digital Platforms for Export Support

(Area of Supports)
- Information
  - FTA, Tariff, Foreign Market, Laws, Regulations
- Trade Financing & Insurance
- Marketing & Sales Channel
- Human Resource
- Acquisition of Certificate
- Technology
- Exportation Process
- Logistics
- Consulting & Counseling

(TPOs and other Instruments)
- Websites of Public & Private organizations
- KOSME, KOTRA, KITA, KCS, etc.
- Digital Portals of Public & Private Organizations
  - Gobizkorea, exportcenter, sme-expo, exportvoucher, FTA portals, etc.
- Online Mall
  - buyKOREA, Tradekorea, Kamll24, 11st, Interpark, Lotte etc.
- Digital Trade System
  - UtradeHub, UNI-PASS (Single Windows)
- Miscellaneous
  - K-Sure, EXIM Bank, etc.
Export Value Chain and SME Export Supporting Organizations

Export
- Marketing & Sales
- Outbound Logistics
- Customs, inspections, transportation, Trade insurance, Other Gov’t Organizations
- Exporter
  - Business Plan, Research, Financing, R&D, HR management
  - Procurement, production, packaging, Global standard, certificates

Importer (Foreign Market)
- Distribution, Marketing, A/S
- Service
- SME Export Support center

Feedback
- Identifying customer needs, local environment, etc..

Operations
- Procurement
- Technology
- Human Resource
- Infrastructure
KITA, tradeKorea.com, and Kmall24.com

- KITA is a private organization operates on 70,000 membership basis
  - 13 offices in Korea, 11 overseas branches in major cities
  - KITA offers 5 categories of services: 1) online and offline counseling on trade, 2) information on overseas markets, 3) research on trade-related issues, 4) trade-oriented education and training programs, 5) Global Buyer-Seller Matching Service.

Source: Kita.net
KITA, tradeKorea.com, and Kmall24.com

Programs and services provided by KITA

- Membership Portal
- Business Schedule/Application
  - KITA business schedule
  - Trade support project schedule
  - Inquiry of application details
- KITA CEO Breakfast
- Trade Association Support Project Information
  - Membership benefits
  - Overseas market development
  - Trade Consultation
  - Trade Information
  - Trade education and manpower matching
  - Proof and use of import and export performance
  - Overseas business infrastructure support
- Trade difficulties/counseling and consulting
  - Trade Arguments
  - Consultation on trade practice
  - Consultation on the trade site
  - Overseas Certification Consultation
  - FTA consultation
  - FTA consulting
  - FTA business difficulties
  - Best Practices by Counseling Field
- Logistics Portal
  - Real-time logistics news
  - Daily Logistics Trend
  - Regional/Country Logistics Information
  - Korean Shippers Council
  - Import and export logistics manual
- Startup branch
  - Introducing Startup Branch
  - Scale-up support project event
  - Notice
  - Membership/My Page
- Certificate
  - Issuance of certificate of import and export performance
  - Service/electronic intangible matter
  - Issuance of purchase confirmation
  - Member-related certificate
  - Trade Academy Certificate
  - Recommendation (Governor/Visa)/Preferential Certificate
  - Certificate of Export Tower Award
  - Certificate application history inquiry
  - Confirmation of authenticity of the certificate
  - FAQ
- Export finance support
  - KITA Trade Promotion Fund Loan Recommendation
  - KITA export voucher
  - Export Group Insurance
- Office space support
  - Business center
  - Trade Venture Plaza
- Card discount benefits
  - KITA Membership Card
  - KITA member discount service
- Trade practical support
  - Foreign language interpretation and translation service
  - Business travel card ABTC
- Trader Item/Search
- Membership/Information Management
  - Membership registration
  - Member company information search
  - Member company information change
  - Member company representative ID application
  - Assigning a unique trade number
  - Change of trade business identification number information
- My Trade (customized trade information)
- Business Immigration Comprehensive Support Center
  - Center Guide
  - Notice

Source: Kita.net
### KITA, TradeNAVI, tradeKorea.com, and Kmall24.com

- **TradeNAVI is an integrated information portal (KITA & MOTIE, 2012)**

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**Homepage of ‘TradeNAVI’**

- **Country selection**
- **Login** | **Membership Registration** | **my page**

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<table>
<thead>
<tr>
<th>news</th>
<th>FTA/tariff</th>
<th>Trade regulation</th>
<th>Overseas marketing</th>
<th>Overseas Company Information</th>
<th>Export support</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Market trend</td>
<td>-Customs/Customs Guide</td>
<td>-Non-tariff measures</td>
<td>-Overseas offer information</td>
<td>-General Search</td>
<td>-Customized trade support business</td>
</tr>
<tr>
<td>-Regulatory trends</td>
<td>-Information search by item</td>
<td>-Technical Barrier (TBT)</td>
<td>-Overseas Exhibition Information</td>
<td>-Trade association</td>
<td>-Trade and Trade Promotion Policy</td>
</tr>
<tr>
<td>-Tariff Trend</td>
<td>-Integrated tariff comparison (Korea FTA standard)</td>
<td>-Environmental regulation</td>
<td>-Overseas procurement Information</td>
<td>-KOTRA</td>
<td>-Information by export stage</td>
</tr>
<tr>
<td>-FTA trend</td>
<td>-Integrated tariff comparison (overseas FTA standard)</td>
<td>-Overseas standard</td>
<td>-Overseas Report</td>
<td>-Trade Insurance Corporation</td>
<td>-Export voucher business</td>
</tr>
<tr>
<td>-Good Morning KITA Newsletter</td>
<td>-Tax rate/non-tariff barriers World MAP</td>
<td>-Import requirements</td>
<td>-Country information</td>
<td>-Small and Medium Business Corporation</td>
<td>-Trade Information Guide Map</td>
</tr>
<tr>
<td></td>
<td>-FTA status</td>
<td>-Strategic material</td>
<td>-Customized information by country</td>
<td>-KOMPASS</td>
<td>-Trade Practice Manual</td>
</tr>
<tr>
<td></td>
<td>-FTA origin</td>
<td>-Barriers to export</td>
<td></td>
<td>-Premium corporate information</td>
<td>-Insurance/guarantee/legal</td>
</tr>
<tr>
<td></td>
<td>-FTA post-verification response</td>
<td>-Import regulation</td>
<td></td>
<td></td>
<td>-Trade term/format</td>
</tr>
</tbody>
</table>

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**Trade difficulties**

-Trade SOS
-Trade Doctor
-FTA consultation
-Collection of difficult cases
-Expert consultation guide
-Customs, H.S code consultation

**Trade statistics**

-Korea
-China
-Hong Kong
-Taiwan
-Mexico
-Saudi Arabia
-Turkey
-Canada
-Russia

**Service Introduction**

-About Trade Navi
-Service Guide
-Full service

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**Customer Support**

-Notice
-Login
-Sign Up
-Profile
-FAQ
-Information for each step of export business

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**my page**

-My H.S Code List
-My related site information list
-My opinion list

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**Source:** www.tradenavi.or.kr
KITA, tradeKorea.com, and Kmall24.com

- ‘tradeKorea.com’ is a B2B e-market place
  - Operates ‘kr.tradekorea.com’ for sellers
  - English website (www.tradekorea.com) for international buyers, and Chinese website (cn.tradekorea.com) for Chinese buyers

Source: www.tradekorea.com
<table>
<thead>
<tr>
<th><strong>Services Provided by tradeKorea.com</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global business matching services</strong></td>
<td>- Sellers can search for buyers on KITA’s buyer database and send proposal</td>
</tr>
<tr>
<td></td>
<td>- Match global buyers with sellers, arrange online meeting, identify overseas buyers’ purchase offer</td>
</tr>
<tr>
<td><strong>Information</strong></td>
<td>- Provide newsletters on the latest trade trends, events, and updates on areas of interest by e-mail</td>
</tr>
<tr>
<td></td>
<td>- Hold online exhibitions in different product groups.</td>
</tr>
<tr>
<td><strong>Transaction and payments</strong></td>
<td>- Simplified payment service for ordering product samples</td>
</tr>
<tr>
<td></td>
<td>- Hana Bank gives a discount on foreign exchange fees for both importing and exporting contacts.</td>
</tr>
<tr>
<td><strong>Minisite</strong></td>
<td>Create individual minisite in English, using the tradeKorea domain</td>
</tr>
<tr>
<td><strong>Inquiry</strong></td>
<td>buyers and sellers can communicate bilaterally</td>
</tr>
</tbody>
</table>

Source: [www.tradekorea.com](http://www.tradekorea.com)
KITA, tradeKorea.com, and Kmall24.com

- ‘Kmall24.com’ is a B2C online shopping with more than 30,000 products
  - No entrance fees or operating costs for companies in Korea
  - Operates ‘Kmall24 store’ at Amazon, eBay, Tmall, and other e-shopping malls of U.S and China

Homepage of Kmall24.com

Source: www.kmall24.com
KOTRA and buyKOREA

- A quasi-government organization under the umbrella of MOTIE
- One of the largest TPOs in the world with 129 offices in 84 countries
  - Provides both online/offline counseling services on exports, foreign direct investment (to and from Korea) and overseas market entry
  - Provides services for companies of all sizes

Homepage of KOTRA

Global Networks

10 local head offices, 129 Korea Business Centers (KBCs) in 84 countries

Source: https://www.kotra.or.kr/foreign/main/
## Export Promotion Programs of KOTRA (selected)

| Promoting early exporters | - Conduct Global Competency Level Test (GCL)  
|                          | - Provide consulting services for export beginners |
| Finding overseas partner/buyer | - Discover potential partners  
|                                | - Match and arrange business meetings, etc. |
| Facilitating business meeting | Promote (local, overseas, online) business meetings with foreign buyers |
| One-on-one customized service | Share overseas public institutions as a branch office of SMEs  
|                                | Export Incubator: provide office facilities, counseling, information, and other services  
|                                | Overseas Logistics Network: share warehouses of KOTRA's local partner logistics companies  
|                                | Support for middle-standing enterprises, Promote to become the world’s first-class product, KOTRA's overseas trade center provides free office |
| KOTRA academy | Operate various training courses to deliver/share KOTRA's know-hows. |
| Export voucher | - KOTRA operates the program in collaboration with MSS and MOTIE  
|                                | - SMEs with a voucher can apply for various export support programs, such as technology development, consulting and counseling, human resource development, and information provision, etc. |

Source: [https://www.kotra.or.kr/](https://www.kotra.or.kr/)

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KOTRA and *buyKOREA*
‘buyKOREA’ is an online B2B marketplace

- Enables 1) product registration, 2) real-time search on buying offers, 3) interactive inquiries & make orders, 4) payments (KOTRA Online Payment Service), 5) logistics (discount with EMS)
- 9.9 million products were registered (2020), 180,000 overseas buyers used (2017)

Homepage of ‘buyKOREA’

Source: https://www.kotra.or.kr/foreign/main/
KOTRA and buyKOREA

❖ buyKOREA” application
- Search products using specific keywords
- Establish communication between buyers and sellers using the option Trade Talk
- Receive inquiries from buyers, send a reply or a quote and process transactions.

Application of ‘buyKOREA’

Source: https://play.google.com/store/apps
**KOSME, GobizKOREA, and gobizkorea.com**

- KOSME is a quasi-government organization (under the umbrella of MSS)
  - Provides support in 3 domains: finance, human resources, export
- Export support programs focus on 2 categories
  1. Supports non-exporting SMEs that want to become exporters
  2. Supports online exports of SMEs: operates a website ‘GobizKOREA’ which functions as an online export support center

Source: kr.gobizkorea.com
<table>
<thead>
<tr>
<th>Services provided by gobizkorea.com</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common logistics</strong></td>
</tr>
<tr>
<td>- The system collects all goods at a common distribution center for lump-sum delivery</td>
</tr>
<tr>
<td>- Offers discounts on logistics costs.</td>
</tr>
<tr>
<td><strong>Online sales agency</strong></td>
</tr>
<tr>
<td>- Designate online agencies to support SME exports on foreign shopping platforms (e.g., Mercado Libre)</td>
</tr>
<tr>
<td>- Agencies provide assistance for registration, marketing, and overseas delivery.</td>
</tr>
<tr>
<td><strong>Export through gobizkorea.com</strong></td>
</tr>
<tr>
<td>- Package: supports making promotional video content, websites, marketing through linkage with search engines/Multi-Channel Networks (MCN) as a package</td>
</tr>
<tr>
<td>- Individual: a group of experts assists an SME from the identification of foreign demand to all steps after signing an export contract.</td>
</tr>
<tr>
<td><strong>Online purchase offer Follow-up Management</strong></td>
</tr>
<tr>
<td>Experts provide free support on: Verification of the validity of inquiries, Negotiation with overseas buyers, Preparation for signing export contracts, Implementation of trade procedures including trade mentoring and promotional marketing, etc.</td>
</tr>
<tr>
<td><strong>Online Exhibitions</strong></td>
</tr>
<tr>
<td>Support producing promotional video content, registration for online exhibitions on gobizkorea.com, online to offline (O2O) related marketing, and follow-up processes.</td>
</tr>
<tr>
<td><strong>Developing company-owned online shopping mall</strong></td>
</tr>
<tr>
<td>- Support for the creation of local online shopping mall</td>
</tr>
<tr>
<td>- Covers up to 70% of the cost of promotion, marketing, and renewal of online shopping mall.</td>
</tr>
<tr>
<td><strong>Commercialization of online export</strong></td>
</tr>
<tr>
<td>- For both domestic and export start-ups, this program covers up to 70% of the cost of entering the online shopping mall of the selected platform (Alibaba, Amazon, eBay, etc..)</td>
</tr>
<tr>
<td>- Develop and train a “1-person creator” who can use social network sites (SNS) and social media marketing.</td>
</tr>
<tr>
<td><strong>Business Matching Service (BMS)</strong></td>
</tr>
<tr>
<td>Mediation services between foreign buyers and Korean SMEs</td>
</tr>
<tr>
<td><strong>Visitor Assistance Program (VAP)</strong></td>
</tr>
<tr>
<td>Provide translation, trade counseling, and review of export contracts free of charge for domestic SMEs that meet foreign buyers visiting Korea.</td>
</tr>
</tbody>
</table>

Source: kr.gobizkorea.com
KOSME, GobizKOREA, and gobizkorea.com

- Gobizkorea.com is a global B2B marketplace
- The Korean website (kr.gobizkorea.com) offers 6 types of services; 1) product registration, 2) Industrial Bank of Korea (IBK) telegraph transfer (T/T) service, 3) inquiries/orders, 4) payments, 5) deliveries, 6) export report

Homepage of ‘www.gobizkorea.com’ (for buyers)
### SME Export Support Center (MSS)

**Quasi-government organization for supporting SME export**

- 13 offline centers nationwide under the umbrella of Regional SME Administrations
- Most policy support measures for SME exports provided by MSS are concentrated in the Center

<table>
<thead>
<tr>
<th>Services facilitated by the SME Export Support Center</th>
<th>Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount on international call rates</td>
<td>Korea Telecom</td>
</tr>
<tr>
<td>Discount on logistics fees (FedEx)</td>
<td>FedEx</td>
</tr>
<tr>
<td>Support for SMEs’ participation in international exhibitions</td>
<td>K-BIZ (<a href="http://www.sme-expo.go.kr">www.sme-expo.go.kr</a>)</td>
</tr>
<tr>
<td>Provide office space, facilities, information, and legal consulting in overseas markets (Export Incubator Program)</td>
<td>KOSME</td>
</tr>
<tr>
<td>Translation and interpretation services</td>
<td>KITA</td>
</tr>
<tr>
<td>Information on international economy and foreign direct investment</td>
<td>EXIM Bank</td>
</tr>
<tr>
<td>Consulting on money exchange</td>
<td>EXIM Bank</td>
</tr>
<tr>
<td>Legal consulting on international contracts and deals</td>
<td>EXIM Bank</td>
</tr>
<tr>
<td>Credit evaluation of foreign buyers</td>
<td>K-sure</td>
</tr>
<tr>
<td>Export consulting service for local SMEs</td>
<td>KOTRA</td>
</tr>
</tbody>
</table>

**Source:** [www.exportcenter.go.kr](http://www.exportcenter.go.kr)
# SME Export Support Center (MSS)

## Programs of the SME Export Support Center

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Diagnosis of global business capacity</strong></td>
<td>Conduct diagnosis on the internationalization capacity of the firm to match appropriate support measures</td>
</tr>
<tr>
<td><strong>Global Market Developer (GMD)</strong></td>
<td>Designate successful exporter as global market developer (GMD) → match GMD with SMEs → GMD supports SMEs to export</td>
</tr>
<tr>
<td><strong>Designating SMEs with export potential</strong></td>
<td>Find high-tech SMEs that do not export → provide support to become exporters</td>
</tr>
<tr>
<td><strong>Foreign Private Networking</strong></td>
<td>Designate successful Korean companies located abroad as Networks and match local Korean SMEs to export</td>
</tr>
<tr>
<td><strong>International Distribution Network</strong></td>
<td>Designate Korean distributors abroad and match them with Korean exporting SMEs</td>
</tr>
<tr>
<td><strong>Export Capacity Building</strong></td>
<td>Focus on startups and SMEs with no export record and provide them with comprehensive support to become exporting firms</td>
</tr>
<tr>
<td><strong>Export Voucher Program</strong></td>
<td>SMEs with a voucher can apply for various export support programs; technology &amp; human resource development, consulting and counseling, etc. (<a href="http://www.exportvoucher.com">www.exportvoucher.com</a>)</td>
</tr>
<tr>
<td><strong>Commercialization of Technology</strong></td>
<td>Provide support for SMEs that plan to develop new products or technologies for export</td>
</tr>
<tr>
<td><strong>Online Global Marketing</strong></td>
<td>Provide foreign buyer match-making, foreign visitor assistance service, etc., through “GobizKOREA.com”</td>
</tr>
</tbody>
</table>

*Source: [www.exportcenter.go.kr](http://www.exportcenter.go.kr)*
# SME Export Support Center (MSS)

<table>
<thead>
<tr>
<th>Information on foreign markets and overseas entry</th>
<th>Guide for overseas market entry, Export and import processes, Guidelines to establish a foreign subsidiary, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade guide</td>
<td>Dictionary for trade terminology, Trade laws, Export processes, Customs refund etc.</td>
</tr>
<tr>
<td>Cyber education</td>
<td>Video clips on trade procedure etc.</td>
</tr>
<tr>
<td>Information on tariffs</td>
<td>Direct link to KCS’s <a href="https://www.customs.go.kr/ftawebsitekor/main.do">FTA website</a></td>
</tr>
<tr>
<td>International Exhibitions</td>
<td>Direct connection to SME Overseas Expo Website (<a href="http://www.sme-expo.go.kr">www.sme-expo.go.kr</a>)</td>
</tr>
<tr>
<td>Credit evaluation</td>
<td>Direct connection to KSUREcyber Office (<a href="http://cyber.ksure.or.kr">cyber.ksure.or.kr</a>)</td>
</tr>
<tr>
<td>Online consulting, Trade statistics</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>International standards and Certifications</th>
<th>North and South America, Asia Oceania and Africa, Europe Russia &amp; Eastern Europe Common standard &amp; certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction to international certificates</td>
<td></td>
</tr>
<tr>
<td>Online search system</td>
<td>Search by Country, HS Code, Name of certificate, Name of product</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Foreign Procurement</th>
<th>North American Market, EU market, Asia and other regions, and International organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information on procurement</td>
<td>Information on procurement (process manuals, information on bid, etc.)</td>
</tr>
</tbody>
</table>

**Source:** [www.exportcenter.go.kr](http://www.exportcenter.go.kr)
More than 15 public and private organizations operate FTA portals

Source: www.customs.go.kr/ftawebsitekor

Source: okfta.kita.net
SME Overseas Expo Portal

- Operated by K-biz and MSS to support SMEs
  - Support SMEs’ formation of export consortium, conduct overseas exhibition, post contract management, etc.
  - Provide online counselling on domestic and overseas exhibitions, finding and matching global buyers, post contract management, etc.

Homepage of ‘SME Overseas Expo Portal’

Source: www.sme-expo.go.kr
Thank You.
Gracias.
Obrigado.