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



Korean SMEs: Major Obstacles to	Exports (	(2018)
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(Unit: %)

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

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



수출지원센터











vestment

Promotion Agency

## Digital Platforms for Export Support



## Export Value Chain and SME Export Supporting Organizations



### **\* 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) tradeoriented education and training programs, 5) Global Buyer-Seller Matching Service.





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🗼 K I T A.net				atistasogin 🌲 Sign Up 📿 🚞
	Membership Portal Business	Trade difficulties/counseling and consulting Trade Arguments	certificate Issuance of certificate of import and export performance	Card discount benefits KITA Membership Card KITA member discount service
ation members only nice	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 Information Trade education and manpower matching Proof and use of import and export performance Overseas business infrastructure support	Consultation on trade practice Consultation on the trade site Overseas Certification Consultation FTA consultation FTA consultation FTA business difficulties Best Practices by Counseling Field <b>Logistics Portal</b> Real-time logistics news Daily Logistics Trend Regional/Country Logistics Information Korean Shippers Council Import and export logistics manual <b>Startup branch</b> Introducing Startup Branch Scale-up support project	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 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	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)

KISBI 동소기입연구원

Source: Kita.net

Notice

## KITA, TradeNAVI, tradeKorea.com, and Kmall24.com

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



### \* '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

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



#### Source: www.kmall24.com

- \* 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
  - Provide services for companies of all sizes



#### Source: https://www.kotra.or.kr/foreign/main/

	Export Promotion Programs of KOTRA (selected)
Promoting early exporters	<ul> <li>Conduct Global Competency Level Test (GCL)</li> <li>Provide consulting services for export beginners</li> </ul>
Finding overseas partner/buyer	<ul><li>Discover potential partners</li><li>Match and arrange business meetings, etc.</li></ul>
Facilitating business meeting	Promote (local, overseas, online) business meetings with foreign buyers
	Share overseas public institutions as a branch office of SMEs
	Export Incubator: provide office facilities, counseling, information, and other services
One-on-one customized service	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	<ul> <li>KOTRA operates the program in collaboration with MSS and MOTIE</li> <li>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.</li> </ul>
Source: https://www.kotra	

Source: https://www.kotra.or.kr/

### 'buyKOREA' is an online B2B marketplace

- Enalbes 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)



### rvice temporarily unavailabl...

Hello? This is KOTRA Buy Korea. Please note that the current buyKOREA syste m's KOPS payment service is temporaril

#### In accordance with the guidelines of the Ministry of Commerce, Industry and Ener gy, KOTRA plans to collectively update th Source: https://www.kotra.or.kr/foreign/main/



You can download the new registration a nd update guide for Buy Korea product in

formation from the attached link below. PI

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You can download the product image reg istration guide from the attached link at th

e bottom of the post for new registration

### 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.

When logged In	Performing a search
지교 복전 중 세 82% 🖷 오후 5:46	SKT 교 🔌 전 🛜 📶 82% 💼 오후 5:47
buykorea o	← INQUIRY
Q Buyer Buyer	Please leave a detailed inquiry to get an accurate reply from the Korean seller.
My Buying Offer 0	HnY Retread Tires (Pd No. : 3040079)
nquiry Box	TO HNY TIRES CO., LTD.
Received Order List Delivery PQ 35 PP 0 24	Good day, my name is Buyer Buyer. I'm writing you from Australia.
ly Favorites 32	Message I would like to buy your products: HnY Retread Tires
Ay Business Events 1	× Delete the message
setting	FROM etrade1@kotra.or.kr +
COREAN Products	Request for a price Quote Please specify item name, quantity and shiping method for your price quote request.

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

Sobiz .		Hom	epage of	gobizkore	ea.com		= me		
Export support/market		Online Expo	ort Platform User	Guide	Marketing	service	Gobiz Mall		
Overseas purchasin offers information Gobiz Korea's trade manager will	g	Global e-commerce trends					Logistics discount service		
Consultation on general questions and a sport		Global e-commerce trends such as local policy information of the second					Domain discount service view Provides domain discount service in partnership with Gavia Inc. Online education for enhancing e-commerce		
		Online export support business	Marketing servic	e	GobizKOREA	User Guide	Customer Supp	port Center	my page
Online export joint logistics builness (barticipating company)	E-commerce export capability enhancement education Online Export Difficulty Relief Center		About GobizKOREA Notice Product Registration Guide PAQ IBK T/T service subscription Q&A		PAQ				
Online shopping mall sales agency (participating company) Online export platform Gobia	Global e-commerce Domain discount se	int service Payment guid		e Terms of Use					
urce: kr.gobizkorea.co	om		022101-05	5380	Carlos Carlos				



## KOSME, GobizKOREA, and gobizkorea.com

	Services provided by gobizkorea.com
Common logistics	<ul> <li>The system collects all goods at a common distribution center for lump-sum delivery</li> <li>Offers discounts on logistics costs.</li> </ul>
Online sales agency	<ul> <li>Designate online agencies to support SME exports on foreign shopping platforms (eg., Mercado Libre</li> <li>Agencies provide assistance for registration, marketing, and overseas delivery.</li> </ul>
Export through gobizkorea.com	<ul> <li>Package: supports making promotional video content, websites, marketing through linkage with search h engines/Multi-Channel Networks (MCN) as a package</li> <li>Individual: a group of experts assists an SME from the identification of foreign demand to all steps after r signing an export contract.</li> </ul>
Online purchase offer Follow-up Management	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 a nd promotional marketing, etc.
Online Exhibitions	Support producing promotional video content, registration for online exhibitions on gobizkorea.com, onli e to offline (O2O) related marketing, and follow-up processes.
Developing company-owned online shopping mall	<ul> <li>Support for the creation of local online shopping mall</li> <li>Covers up to 70% of the cost of promotion, marketing, and renewal of online shopping mall.</li> </ul>
Commercialization of online export	<ul> <li>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.,)</li> <li>Develop and train a "1-person creator" who can use social network sites (SNS) and social media marketing.</li> </ul>
Business Matching Service (BMS)	Mediation services between foreign buyers and Korean SMEs
Visitor Assistance Program (VAP)	Provide translation, trade counseling, and review of export contracts free of charge for domestic SMEs that are meet foreign buyers visiting Korea.

#### 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



#### Source: www.gobizkorea.com

## 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

Services facilitated by the SME Export Support Ce	enter
Discount on international call rates	Korea Telecom
Discount on logistics fees (FedEx)	FedEx
Support for SMEs' participation in international exhibitions	K-BIZ (www.sme-expo.go,kr)
Provide office space, facilities, information, and legal consulting in overseas markets (Export Incubator Program)	KOSME
Translation and interpretation services	KITA
Information on international economy and foreign direct investment	EXIM Bank
Consulting on money exchange	EXIM Bank
Legal consulting on international contracts and deals	EXIM Bank
Credit evaluation of foreign buyers	K-sure
Export consulting service for local SMEs	KOTRA

#### Source: www.exportcenter.go.kr

## SME Export Support Center (MSS)

Programs of the SME Export Support Center								
Diagnosis of global business capacity	Conduct diagnosis on the internationalization capacity of the firm to match a ppropriate support measures							
Global Market Developer (GMD)	Designate successful exporter as global market developer (GMD) $\rightarrow$ match GMD with SMEs $\rightarrow$ GMD supports SMEs to export							
Designating SMEs with export potential	Find high-tech SMEs that do not export → provide support to become exporters							
Foreign Private Networking	Designate successful Korean companies located abroad as Networks and match local Korean SMEs to export							
International Distribution Network	Designate Korean distributors abroad and match them with Korean exportin g SMEs							
Export Capacity Building	Focus on startups and SMEs with no export record and provide them with comprehensive support to become exporting firms							
Export Voucher Program	SMEs with a voucher can apply for various export support programs; techn ology & human resource development, consulting and counseling, etc. (www.exportvoucher.com)							
Commercialization of Technology	Provide support for SMEs that plan to develop new products or technologie s for export							
Online Global Marketing	Provide foreign buyer match-making, foreign visitor assistance service, etc., through "GobizKOREA.com"							
Source: www.exportcenter.go.kr								

## SME Export Support Center (MSS)

### Information provided by the SME Export Support Center

	Guide for overseas market entry, Export and import processes, Guidelines to establish a foreign subsidiary, etc.						
	Trade guide	Dictionary for trade terminology, Trade laws, Export processes, Customs refund etc.					
Information on	Cyber education	Video clips on trade procedure etc.					
foreign markets and overseas entry	Information on tariffs	Direct link to KCS's FTA website (https://www.customs.go.kr/ftawebsitekor/main.do)					
,	International Exhibitions	Direct connection to SME Overseas Expo Website (www.sme-expo.go.kr)					
	Credit evaluation	Direct connection to KSUREcyber Office (cyber.ksure.or.kr)					
	Online consulting, Trade statistics						
International standards and	Introduction to international certificates	North and South America, Asia Oceania and Africa, Europe Russia & Eastern Europe Common standard & certification					
Certifications	Online search system	Search by Country, HS Code, Name of certificate, Name of product					
Foreign		market, Asia and other regions, and International organizations					
Procurement	Information on procurement	t (process manuals, information on bid, etc.)					

#### Source: www.exportcenter.go.kr

## Digital Portals to Support Utilization of FTA

### More than 15 public and private organizations operate FTA portals

FTA portal operated by KCS								F	TA porta	l operate	ed by Kl	TA & M	OTIE
Ad Faories						Cutore Sup	ntinter stemp 🕀 BG	🄹 n corata 🕥 c	-045489		<b>† 9</b> 8 ×	HYPAE   Interest Room	
eserta		Pie	se erter jour saach tern		Q			FTA종합지원선태 소주기FTA봉합볼랫폼	Center	FTA consulting	FTA company difficulties	FTA utilization	Support Project Information
neral FTA Status	FTAutilization	FTA utilization	FTA company	Country of origin	FTA Archives	CO-PASS	Participation Zone						
hatis an FTA! + TA signing status + TA at a glance TA agreement TA ggossary	FTA utilization + information FTA utilization rate + FTA laws/statistics information FTA business +	tsuance of + certificate of origin Certified Exporter + System Quartity management by agreement	business	Country of origin + verification Document storage + guidelines Verification Case +	Archives by Agreement Executive Guidelines by Agreement FTA Form Collection	CD-PASS progress information C(D issuance information by country + C(D issuance statistical	FTA Customer + Consultation Center Notice Examples of major + complaints and asswers		greetings History and main tasks FTA Comprehensive Support Center Regional FTA Utilization Support Center FTA Ovenses Utilization Support	FTA Call Center 131380 Online Consultation Non-tariff barrier consulting FTA consulting on the go OK FTA consulting	vervice information Difficulties/Institutional Improvement Suggestion Corporate Meeting Results Problem handling procedure FTA expert	FTA signing status FTA How FTA utilization procedure FTA term FTA forms and laws	FTA news Support Project Information Domestic and foreign related organizations
ea-US Norea-EU+ comparison A +	model Tax rate information Criteria for determining origin	Domestic manufacturing confirmation Certificate of origin Confirmation of	Public Customs + Service System Education for country of origin management		Tas rate - information by agreement Oriteria for determining origin by agreement	information + Company C(O issuance history Report of CO-PASS disability	Castons clearance + Related sites +	Korea	Consulting You can check	J / Suggest the processing step aquiry about the pro	ions for co	nd consulting reque	sts.
	RS linkage table	continuation origin in advance Goods of origin confirmation	FTA-PASS References		ustans dearance information for FTA partner countries e-book	ECOES		ASEAN-Korea	teria for determining origin	iquiry about issuanc	e of certificate of or	igin	

### Source: www.customs.go.kr/ftawebsitekor

## 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.



*Thank You. Gracias. Obrigado.*