

Helpful Hints: Doing Business in Korea

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Third, regular visits — followed by faxes and/or telephone calls — are required to maintain the all important personal links that bind all successful relationships in Korea.

Business is done on a personal basis between suppliers and customers who know each other.

As you prepare for your first meeting with your Korean business partners, consider these day-to-day tips:

- Always attempt to arrange formal introductions whether through the Embassy or a local agent.
- Always have calling cards ready which explain your exact position in your company.
- Never assume everything you say in English is understood — follow up meetings with a written record of discussions and undertakings.
- Remember that Koreans regard the human relationship as essential — business is done between friends.
- Expect to be entertained and reciprocate. Do not be surprised if you see business as usual the next morning.
- Remember rank is extremely important. Determine proper titles and positions in the organization of your Korean customer.

Export Development Corporation Assists Canada's Exports to Korea

The Export Development Corporation (EDC), Canada's official export credit agency, views Korea as a target commercial market and is positioned to assist Canadian exports to this country.

EDC has had experience in the Korean market since the mid-1970s, financing over \$500 million worth of transactions in the nuclear, telecommunications and aerospace sectors.

In 1990, commerce between Korea and Canada was \$3.8 billion and it was expected that, by the end of 1991, trade would surpass the \$4 billion mark.

Canada's traditional exports to Korea have been primary and secondary resources such as coal, pulp, steel and minerals. But, with growth in trade forecast, exporters of manufactured products in the defence, aerospace, biotechnology, transportation and telecommunications sectors could also develop potential markets.

In mid-1990, EDC recognized the improved economic status of Korea and its credit worthiness and took steps to ensure that EDC financing remains very competitive.

While in recent years, Korea has not been borrowing abroad to finance its development, it appears that, as growth and demand for imports continue, more foreign financing will be required.

With the liberalization of the financing sector to begin this year, financing is becoming an increasingly important consideration in this sophisticated market.

Canadian exporters could find it advantageous to look to the support and assistance of EDC in their export efforts. Some of the advantages of dealing with EDC when looking to export to the Korean market include:

- EDC's medium-and long-term financing and guarantee programs offer an alternative to shorter-term financing;
- EDC can provide custom financing at commercial rates and terms to reflect clients' needs and market conditions;
- Financing can be considered on a fixed or floating basis in U.S. dollars or other major currencies;
- EDC products have a flexible amortization structure which considers asset life and project cash flows;
- Clients can benefit from EDC's experience with major financing in commercial markets in the U.S. and Europe; and
- EDC can work with other lenders on major capital projects to package a cost effective financing structure.

EDC can consider financing by way of direct loans, supplier credits and guarantees to corporate and government buyers. The transaction must involve the purchase of Canadian goods and services with a minimum Canadian content of 60 per cent.

EDC is continuing to adapt its financing and insurance products in response to the ever-changing developments and requirements of the marketplace. This adaptability is based on providing flexible, responsive and reliable service to Canadian exporters and their foreign buyers.

Contact the nearest EDC office to find out more about what EDC can do to assist in your export endeavours.