



# Australia's International Business Survey 2015

## COUNTRY PROFILE REPORT: SOUTH KOREA

### Survey partners

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THE UNIVERSITY OF  
SYDNEY

# ABOUT THIS REPORT

Australia's International Business Survey 2015 is the follow-up to the inaugural survey of Australia's international businesses published in 2014.

The findings of this report are distinctive and significant because they provide key insights into the nature, needs, concerns and future plans of the overall Australian international business community from the company perspective.

The report is based on a survey conducted in late 2014 which resulted in the collection of fully completed and validated responses from 1,237 companies involved in international business.

AIBS 2015 was commissioned by the Export Council of Australia (ECA), with the support of our partners, Austrade and EFIC (Export Finance and Insurance Corporation), and was conducted by the University of Sydney (USYD). Australia's International Business Survey 2015.

For more information on the survey methodology, see Appendix D.

## AIBS 2016

The 2016 AIBS survey will be launched in October. Please register your interest in participating by subscribing to the ECA database at [www.export.org.au](http://www.export.org.au)

## ACKNOWLEDGEMENTS

The Export Council of Australia and survey partners would like to thank the many export companies who took part in the survey and made it a success.

## DISCLAIMER

The information presented in this report is based on information received from a survey which was conducted in late 2014.

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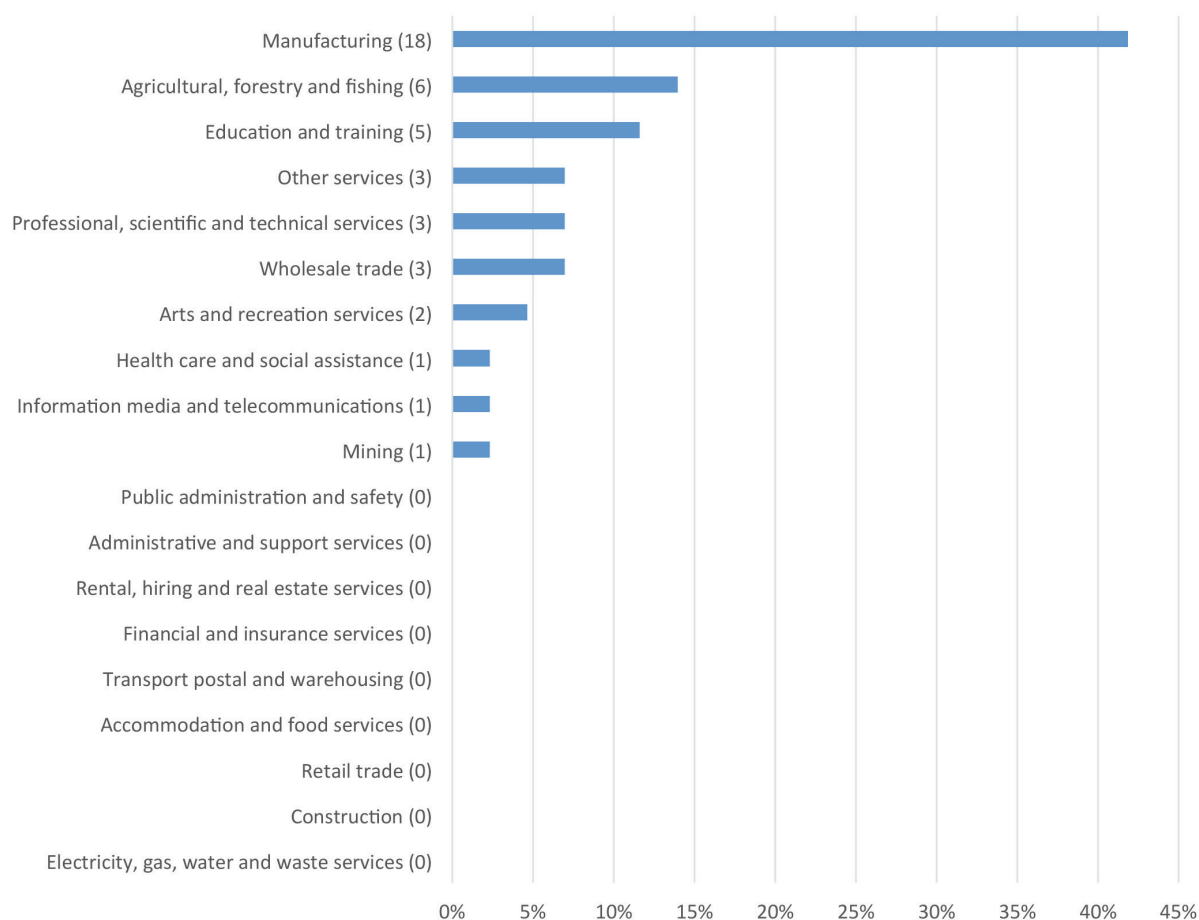
## APPENDIX B: COUNTRY PROFILES

## SOUTH KOREA

Around 3 per cent of all survey respondents identified South Korea as one of their top 2 most important overseas markets. Forty-two per cent of these respondents are manufacturing companies, 14 per cent are agricultural, forestry and fishing companies, and 12 per cent are education and training companies (Figure B-31).

**Figure B-31 Main business of the company – South Korea**

Survey question: What is the main business of your company?



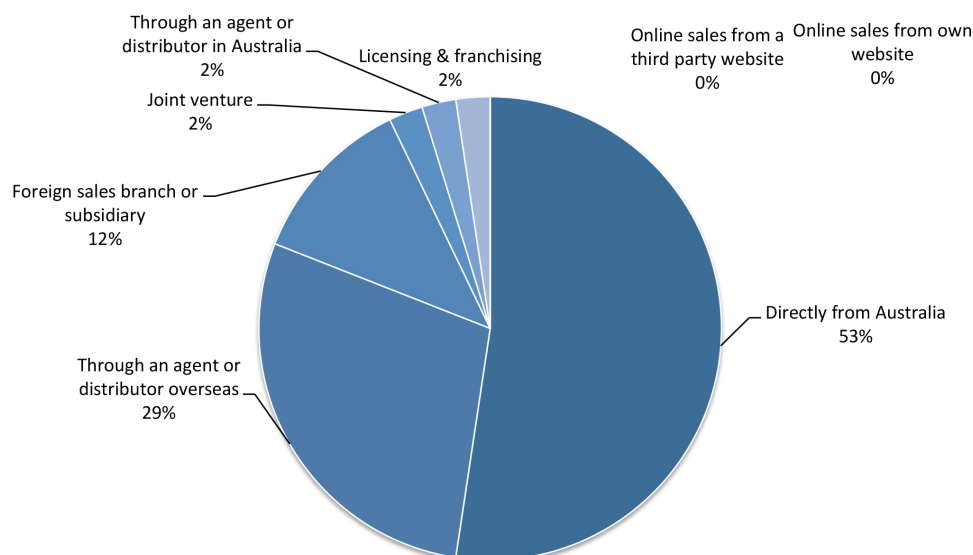
Number of responses = 43

Note: the sample consists of companies that identify South Korea as either top 1 or top 2 country from which they have earned international revenue in the past year.

More than half of the respondents preferred to service their market in South Korea directly from Australia (Figure B- 32). Twenty-nine preferred to operate through an agent or distributor based in South Korea, while 12 per cent established a foreign sales branch or subsidiary in the country.

### Figure B-32 Main mode of servicing exports to South Korea

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



Number of responses = 42

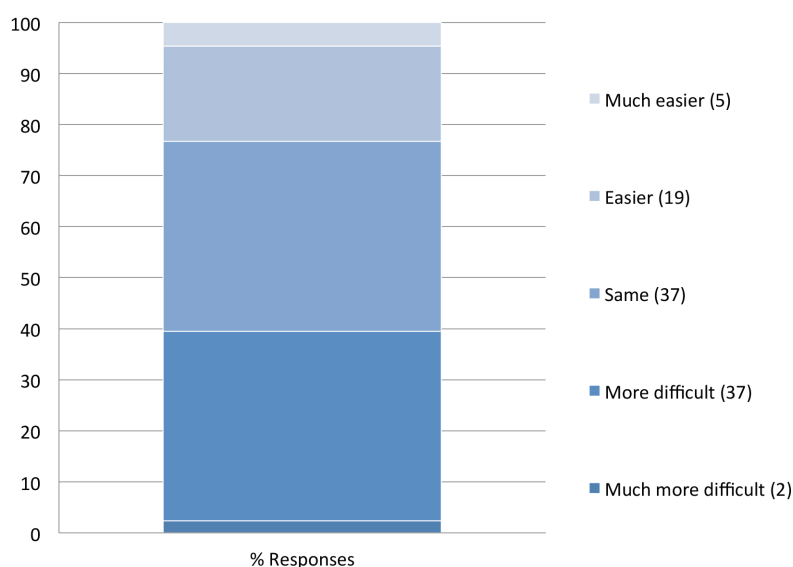
Note: the sample consists of companies that identify South Korea as either top 1 or top 2 country from which they have earned international revenue in the past year.

Thirty-nine per cent of respondents perceived that doing business in South Korea was more difficult or much more difficult than doing business in Australia (Figure B-33). Thirty-seven per cent found it the same, while 24 per cent found it easier or much easier compared to Australia.

### Figure B-33 Ease of doing business in South Korea

Survey question: What is the ease of doing business for the top two countries from which you have earned international revenue in the past year?

Ease of doing business compared with Australia



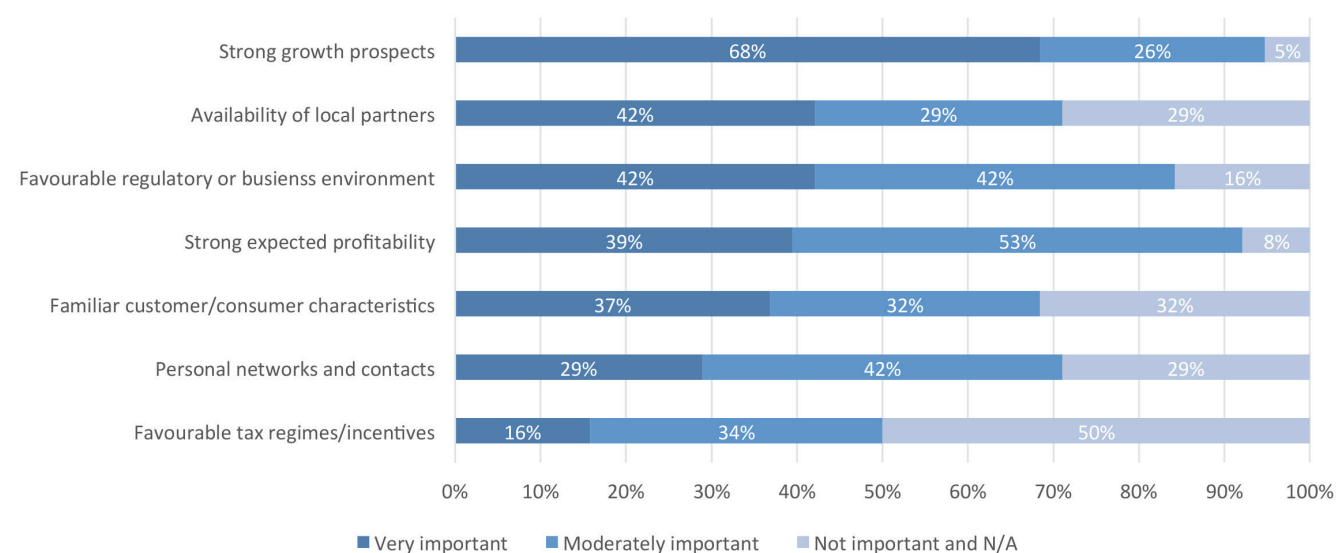
Number of responses = 43

Note: the sample consists of companies that identify South Korea as either top 1 or top 2 country from which they have earned international revenue in the past year.

Sixty-eight per cent of respondents cite the strong growth prospects in South Korea as the main factor leading to them targeting this country (Figure B-34). They also highlight a favourable regulatory or business environment (cited by 42 per cent of respondents), and the availability of local partners (also cited by 42 per cent of respondents) as important factors.

### Figure B-34 Key factors in targeting new country – South Korea

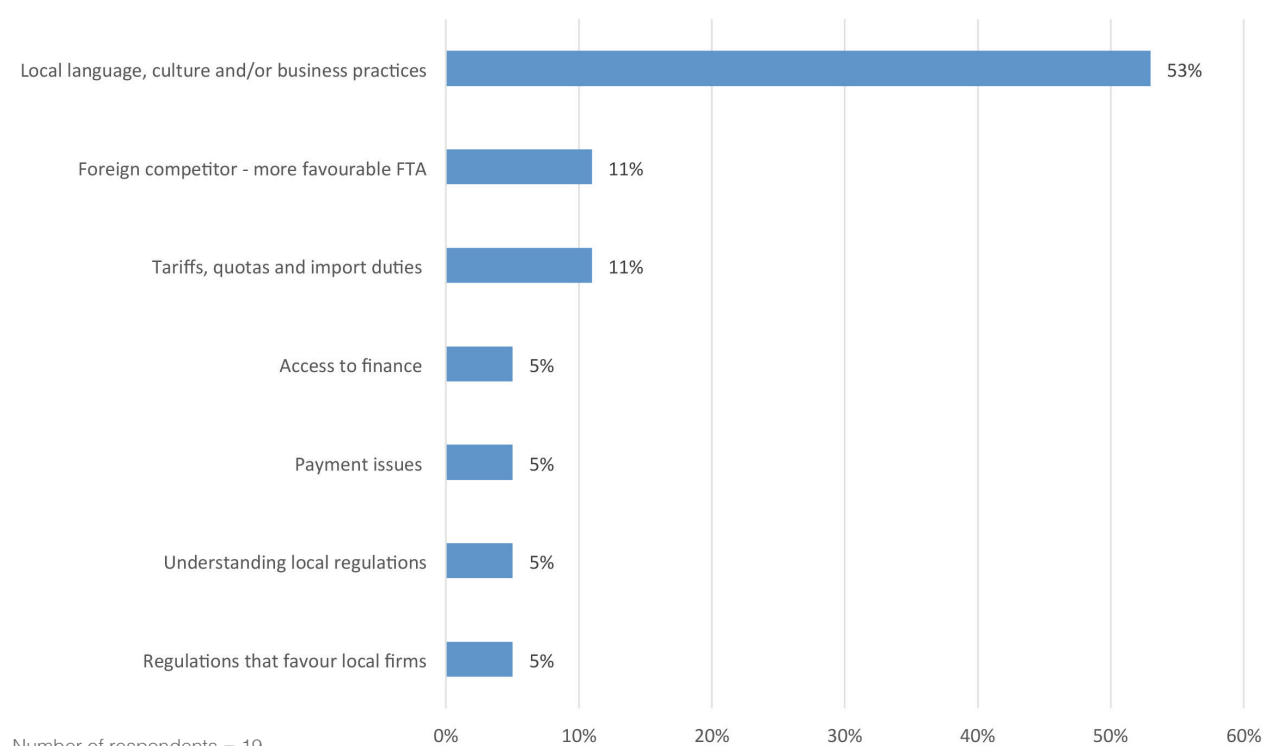
Survey question: How important are the following factors in targeting your most important new country?



Number of respondents = 38

More than fifty per cent of respondents identified the local language, culture and/or business practices as the dominant barrier to doing business in South Korea (Figure B-35). Eleven per cent of respondents cited foreign competitors who were covered by more favourable free trade agreements with the country as a major barrier, along with the presence of tariffs, quotas and import duties (cited by 11 per cent).

### Figure B-35 Barriers to doing business – South Korea



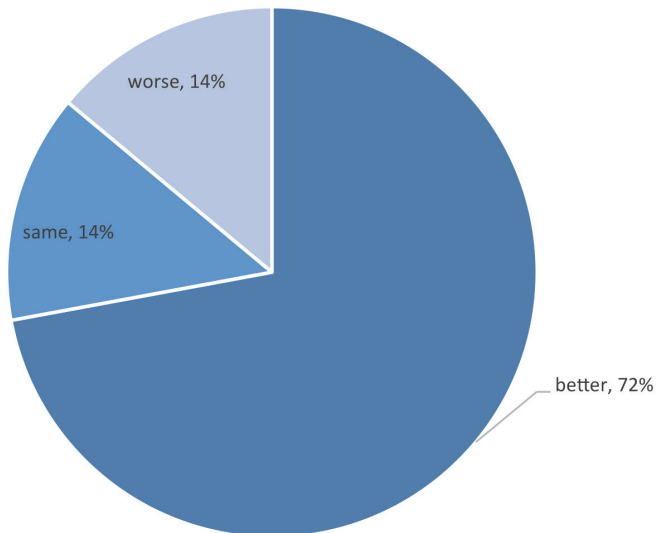
Number of respondents = 19

Seventy-two per cent of respondents expected business to improve in South Korea, thus reflecting a very positive outlook on the country (Figure B-36). The remaining respondents were divided in their opinion, with 14 per cent expecting things to remain the same, and 14 per cent expecting business to get worse.

## OUTLOOK

### Figure B-36 Overall outlook – South Korea

Survey question: What is the overall outlook for your company's international operations in 2015 compared to 2014?



Number of responses = 43

Note: the sample consists of companies that identify South Korea as either top 1 or top 2 country from which they have earned international revenue in the past year.