



South Korea holds great opportunities

# The business of relationships

South Korea may not be that well known in the West, but there are great opportunities there for Welsh businesses. **For the final meeting of 2009, West Wales Exporters Association focused on this market. By Dai Blatchford**

**W**est Wales Exporters Association's (WWEA) final meeting of the year was held in County Hall and focused on opportunities for Welsh businesses in establishing links with South

Korea. Its economy has made big strides in recent years, and now ranks 12th in the world. Major exports total around \$434 billion and include semi-conductors, motor vehicles, computers, steel and ships. On the import side the country spends around \$427 billion on

importing items such as machinery, transport equipment, organic chemicals and plastics. Clearly the opportunities are there, and South Korea is keen to improve links with the UK in general - and Wales in particular.

WWEA chairman Steve Smith, of

Handelsbanken, welcomed members and introduced guest speaker Sungho Choi. Unusually, the guest speaker was not a businessman, but a theologian – albeit one with extremely close links with South Korea. Choi is the dean of international development at Wales Evangelical School of Theology (WEST). Guests at the meeting also included three members of a delegation from Kampala, Uganda: Hadijah Naome Nassanga, Mike Ssesanga and Sally Kayemba.

Choi's brief was to outline the importance of understanding South Korean culture before seeking to establish business relationships. He also explained how Wales has a unique advantage based on a tragic event that occurred in the 19th Century. He told the story of how the first Protestant missionary to Korea – one Robert Jermain Thomas, from Abergavenny – was martyred for his beliefs at the age of 27. Along with his companions, Thomas was decapitated, his last act being to hand his one remaining bible to his executioner.

The manner of his death impressed the executioner so much that he started to read the bible Thomas had given him. In 1904, the Welsh revival spread as far as Korea, and

40 years after the event an old man publicly confessed to being the executioner of the Welsh missionary. The old man's son went on to become an elder of the Presbyterian Church in Korea and Christianity spread through the country.

"The legacy of that story is that Christian Koreans (Christianity is now the dominant religion in South Korea) feel a spiritual connection with Wales," explained Choi. "They may not even know where Wales is, or that it is a country with its own language and culture, but they will all know the story of Robert Jermain Thomas and his father's church at Llanover near Abergavenny. That is important since many of those you could be doing business with will be Christians, and if you represent a Welsh firm it will give you an immediate connection. However, that is not the whole story, and you will need an understanding of South Korean culture if you are to progress towards formal business links."

There is a substantial cultural gap between Wales and South Korea, and it is one that needs to be bridged if successful business connections are to be established. It is the influence of Confucianism that dictates the

**“DEALS ARE DONE OVER THE DINNER TABLE.”**  
**SUNGHO CHOI**

way business is conducted in South Korea. Business there is essentially hierarchical, and not understanding this will mean that business relationships are unlikely to develop.

Some examples to illustrate the importance of this were the emphasis placed on seniority in life and in business. It is perfectly common for a South Korean to ask your age and to proceed on the basis of who is the elder. Business cards, often including a photograph to avoid confusion, will be carefully scanned to establish just what position is held within the company represented. Any relationship will then develop accordingly.

"I remember being in South Korea and wanting to publish a book there," said Choi. "I was with the president of a university there and I explained what I wanted to do. He picked up the phone and rang the president of a publishing company and the deal was done in five minutes. That is how things work there. Despite all that though, what South Koreans like to do best is to operate informally. Once a business relationship and hierarchical positions are established, they like nothing better than doing deals informally. In fact, massive business deals are done over the



Steve Smith

dinner table. Hospitality is very important to them and they tend to value informal friendships more than legal agreements."

Don't expect relationships to be established quickly, though. By habit South Koreans seldom speak explicitly, and this can be frustrating to the Western business mind. Choi estimated that it has taken him as much as a year to establish working partnership between WEST and firms in South Korea. Once the process is complete, however, the association can run as smoothly as one established with any other country. And it also helps to send the same representative so that the all important informal relationships are maintained.

One final explanation served to emphasise the importance of understanding the South Korean way when attempting to do business there. The vexed question of the business lunch was explained. "In South Korea, the cost of a business lunch or dinner is never shared," said Choi. "The procedure is that the bill will be paid by one person, and it will be either the person responsible for the invitation or the senior South Korean business person present. Anything else would be a breach of etiquette."

The presentation ended with Choi emphasising the importance of having bilingual support when doing business in South Korea. Having a translator is important, but it is crucial to have someone who understands the culture as well as the language to avoid any mistakes in translation. "This is vital," he insists. "Though I am Korean I have lived for around 15 years in Wales, and I regard it as my home. But I also have a full understanding of the way South Korean society operates. Such knowledge is vital to develop profitable business relationships between the two countries."

There will be a trade mission to South Korea in February or March. Interested businesses will be able to find further information on the WWEA website [www.westwalesexporters.co.uk](http://www.westwalesexporters.co.uk).

The next meeting will deal with exporting to China. ♦