South Korea

South Korea will invest £5 billion with the aim of being a global ‘Top 3’ wind power generation country by 2020.

South Korea is the 10th largest energy consuming nation in the world, 97% of which is imported. In 2012, Korea’s total electricity generating capacity was 81,806 MW. Coal and nuclear energy dominate Korea’s electricity generation, with coal accounting for 42% of total output, nuclear accounting for 29% and natural gas providing around 23%.

South Korea is dedicated to investing in offshore wind infrastructure and development. More than 10 offshore wind projects are planned in Korea’s coastal waters, with turbines ranging between 30 MW and 600MW. The total projected generation capacity will be about 5GW.

The Ministry of Trade, Industry and Energy (MOTIE) plans to develop a 2.5GW farm by 2019, located in the country’s west coast. It will invest about £5 billion with the aim of being one of the ‘top 3’ wind power generation countries in the world by 2020.

The three-phase project will begin construction of a test site for 100MW turbines in late-2014. An additional 400MW turbines will be installed by 2016 in the second phase followed by 2,000MW more turbines by 2019, all with a capacity of 2.5GW.

Financing should not pose a major challenge to renewable energy deployment over the medium term, though much will depend on the balance sheets of Korea’s utilities and other large corporations. Large renewable energy projects are usually owned and operated by KEPCO, which is responsible for around 90% of total generation, and/or its affiliates. Large Korean conglomerates are also involved in offshore wind and tidal project development as suppliers of equipment and as construction or shipping contractors.

Korea has no experience of developing an offshore wind farm while UK is currently in the 3rd round of wind power deployment. Although Korea is developing wind turbines it will certainly require support with other core technologies.
Offshore Wind – Opportunities for UK companies

South Korea

include wind turbine deployment, connection to grid, environmental impact assessments and wind assessments, all of which the UK is well placed to provide.

**Market Entry – Factors for Success**

To compete in South Korea UK companies are recommended to have a capable local distributor, licensee or franchise partner who has an established network in the market and extensive market knowledge. A long-term perspective and a reliable partnership between supplier and their local partner is one of the key factors in achieving success.

**How can UKTI help?**

Some companies find entering South Korea challenging. To address this, the UKTI team in South Korea has actively provided support to UK companies for many years. Some of the assistance we can offer includes:

- providing tailored overviews of the sector
- providing market research and local contacts for your business
- identifying reliable and eligible agents/distributors/partners
- identifying competitors
- supporting events and your visits

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