



EDC GUIDE

CULTURAL TIPS FOR DOING BUSINESS IN SOUTH KOREA

How to maximize your success

Canada

 **EDC**
TAKE ON **THE WORLD**

When it comes to business etiquette, what's acceptable in one country, may not be in another. To be successful in international trade, you need to understand the culture, traditions and business habits of your clients and partners in your target markets and adapt your communication and business strategies accordingly.

It could mean the difference between winning—or losing—a contract.

Referred to as an Asian Tiger economy, South Korea—with its population of 52 million—has the fourth-largest economy in Asia, and the 13th-largest in the world, with nominal gross domestic product (GDP) of US\$1.67 trillion in 2022.

Considered the third-most densely-populated country in the world, South Korea has an aging population and low fertility rate. The country is a homogeneous society with ethnic Koreans representing approximately 96% of the total population.

Despite lacking in natural resources, South Korea has a superior health-care system, one of the world's fastest internet connections and enviable high-speed railways, air routes and ferry services. It's also renowned for its K-pop music and television and movie dramas.

Canada and Korea have enjoyed 60 years of bilateral trade. Since signing the Canada-Korea Free Trade Agreement (CKFTA) in 2015, our first FTA with an Asia-Pacific nation, and signing the Comprehensive Strategic Partnership in 2022, trade has been increasing. The opportunities for Canadian companies are immense, but something as simple as being late for a meeting or trying to rush negotiations could be detrimental to a working relationship.



5 KEY ETIQUETTE TIPS

1. **Do your homework.** With one of the most dynamic, advanced economies in the world, Korean companies are highly competitive and capable and are dominated by large conglomerates. Knowing the major players, including Samsung, Hyundai, LG and the SK Group, is extremely helpful in doing business in South Korea.
2. **Build strong relationships.** Personal rapport and building trust is a critical step to ensuring strong relationships and may involve multiple meetings, including social events and meals. To do this, one needs to visit Korea, spend time, and show commitment. Koreans are proud of their country and what it's accomplished over the past half century, so never make jokes about the country and its culture.
3. **Show up on time.** Punctuality is seen as a sign of respect and last-minute cancellations are uncommon. Greater Seoul accounts for more than 50% of Korea's population with 26 million people, while 10 million live within the metropolitan area. While the subway and public buses are safe and efficient, crowds are unavoidable, so give yourself plenty of time to get to a meeting from wherever you're staying. Even within Seoul, it can take more than one hour to go from the older part of the city to Gangnam, for example. Connecting over a meal is generally welcome. Dressing conservatively and demonstrating good character are important.
4. **Making connections.** Learn a few words in Korean, to say hello “안녕하세요” (annyeonghaseyo) and thank you 감사합니다 (gamsahamnida) at a minimum. The extent of English usage, comfort and keenness to use English varies significantly. Ask if an interpreter is needed beforehand. Having someone on the ground to help navigate the local business culture and help you make connections or understand logistical issues, like permits, are invaluable. The Canada Trade Commissioner Service or the provincial offices of Alberta, British Columbia, Ontario and Quebec in Seoul can advise you on many of these items. It's advisable to contact Canadian official representatives in the country to gauge possible legal or administrative obstacles.
5. **Understanding core Korean values.** In business interactions, pay attention to subtle nonverbal gestures and body language rather than just what's being said. Seniority and hierarchy are highly respected. Always address your counterpart by their professional or courtesy title, followed by their surname, especially if it's the first meeting. Some Koreans may bow slightly and it's appropriate to reciprocate. Bowing slightly is a normal greeting. Avoid hot-button issues, like politics and religion.

INTERESTING FACTS ABOUT SOUTH KOREA

- › Renowned for its influential pop culture, Korean music, or K-pop, as well as K-drama have grown in popularity over the past decade with the boy band, BTS, considered to be the most popular group in the world. Referred to as the Korean Wave, movies such as *Parasite* and the popular TV series, *Squid Game*, have garnered numerous awards in the entertainment industry.
- › Seaweed plays a significant role in South Korea's cuisine, from side dishes to Kimbap (Korean seaweed rice rolls). The country produces more than 90% of the world's nutrient-rich marine plant. It also boasts more than 150 different varieties of kimchi, a beloved Korean staple of napa cabbage, carrots and radish.
- › The martial art, taekwondo, originated in Korea and became an official Olympic sport in 2000. Speaking of the Olympics, South Korea has hosted twice: The 1988 Summer Olympics in Seoul and 2018 Winter Olympics in Pyeongchang. Gangwon will host the Winter Youth Olympics in 2024.
- › South Korea is an archipelago and is made up of approximately 3,400 islands, with only 473 actually inhabited. Jeju is the largest and the only self-governing island.
- › As a technological powerhouse, Korea has a deep and vibrant tech ecosystem sporting local apps and content. For example, many ride hailing, navigation and online shopping apps popular in North America aren't even operational in Korea.

FOR MORE INFORMATION

- › Visit EDC's [Doing business in South Korea: Tips and insights page](#)
- › Reach out to [Joy Rankothge](#), EDC's chief representative for South Korea
- › Contact the [Canada Trade Commissioner Service](#) in South Korea

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