

South Korea: Business opportunities in the Education sector 2013



Overview

South Korea is the 12th largest economy in the world, has a population of over 50 million and a predicted GDP growth of around 3 percent in 2013. Korea invests almost 7 percent of its GDP in education expenditure. This represents one of the largest allocations of government spending on education anywhere in the world.

The South Korean education system is based on the US model consisting of six years of elementary schooling, three years of middle-school, and three years of high school, with four year undergraduate degrees and two year masters degrees. Pre-school children are educated in day care centres (or nurseries - at the age of two to three) and kindergartens (at four to six).

Traditionally spending 11 out of every 14 days at school, South Korean primary and secondary school students adopted a five-day school week in March 2012. Young Korean students are now free on Saturdays and parents, teachers and local education suppliers are keen to provide various educationally enriching entertainment activities for them. The Korean Education Ministry also encourages schools to offer extra-curricular education programmes for its students.

There is a culture of paying for education at all levels in South Korea, from pre-school to college and university. Private 'crammer' academies (Hagwon in Korean) attract

students as young as two, and cover all subjects ranging from English and maths to history and IT. The value of this market is estimated at approximately USD 20 billion. If you include pre-school children and adult education, this rises to more than USD 22 billion.

Influence of the EU-Korea FTA

The European Union and South Korea have concluded a Free Trade Agreement (FTA) which will gradually result in the removal of 97 percent of all tariffs (around €1.6bn of duties) for UK exporters from July 2011.

Some of the ways the FTA will influence the education sector are:

FTA Changes	Timing
Non-degree adult education will be open to foreign owned entities	Immediately
Enhanced cultural co-operation encouraged	Immediately
Foreign investment is now permitted	Immediately

(Source: European Commission)

Opportunities for UK Companies

The government has emphasised the growing importance of English language in education and unveiled a roadmap to revamp the nation's public English education provision. This has influenced not only students but also employers who wish to strengthen their employees' English language skills as a result of globalisation.

English Language Education

English education for pre-school children in South Korea is carried out on a national scale. This is delivered through a variety of media including: language institutions, group or one to one lessons, study materials, over the telephone and over the internet.

Many Korean companies are keen to improve their employees' English language skills and help them reach global standards.

ACCESSING INTERNATIONAL MARKETS

There is strong demand for:

- English for young learners
- Career-based education and training
- Company training
- Teaching materials (books and multi-media materials)



British schools such as the Dulwich College Seoul (established in 2010) and North London Collegiate School on Jeju Island (2011) are notable as highly successful leaders in the market in offering a British-style of education. In general, British educational expertise is now actively sought after by South Koreans who recognise the UK's reputation for high quality.

Online Education

South Korea's e-learning market is one of the most promising niche areas in the educational tools and services industry. The Korean e-learning market was worth approximately US\$ 2.2 billion and had an annual growth rate of 7.4% in 2011 according to the Korean National IT Industry Promotion Agency (NIPA).

With Korean government initiatives in IT infrastructure and support for the development of IT industry, e-learning education has become a viable option for many Koreans.

Over 82 percent of Koreans currently own a PC and there are over 38 million South Korean internet users. According to NIPA, in 2011 49 percent of internet users used some form of e-learning and as many as 74% of elementary,

middle and high school students are believed to use the technology.

Market Entry – Factors for Success

To compete in South Korea, UK companies are advised 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 a supplier and a local partner is one of the key factors in achieving success.

How can UKTI help?

The UKTI team in South Korea has many years of experience providing support to UK companies operating or considering operating in South Korea. Some of the assistance we can offer includes:

- providing tailored overviews of particular sectors;
- providing market research and local contacts for your business;
- identifying reliable and eligible agents/distributors/partners;
- identifying competitors;
- supporting company events and visits;
- arranging one-to-one meetings.

For further information on UK Trade & Investment, the FTA and the opportunities in South Korea please visit: www.ukti.gov.uk/southkorea or contact

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