

# DECODED X

June 12 2017

*That does not, of course, mean that I've enjoyed every story that you have filed, but that's the point of this relationship. You're not supposed to be fans, you're supposed to be skeptics, you're supposed to ask me tough questions. You're not supposed to be complimentary, but you're supposed to cast a critical eye on folks who hold enormous power and make sure that we are accountable to the people who sent us here, and you have done that.*

- Barack Obama at his last press conference -

Despite what Mr. Obama said, around the world, the media has definitely lost some of its sheen. The causes are many, but among the top of the list is the lack of financial independence.

The integrity of news cannot and should not be compromised under any circumstances, but the media needs to be strong enough and rich enough to speak its mind to be able to play its role to the fullest.

In this regard, there is a message The Investor would like to send out to our readers.

On June 14, DECODED X celebrated its **first-year anniversary**. We have made progress, but still have a long road ahead. Our mission is to create content you want to buy. That empowers both us and our readers.

So please be ready to start paying for DECODED X, which will become **paid content** as of July.

Without your interest and investment, journalism simply cannot survive. But do remember: You have a choice. You get to choose what you want to pay for, and we hope DECODED X is just that.

Read on for this week's edition.



## OUT WITH THE OLD

Hyundai Motor Group Vice Chairman **Chung Eui-sun** showed that even one of Korea's "oldest" companies can indeed change.

Dressed casually (a bit too casually, perhaps) in a pair of jeans paired with a t-shirt sporting the Kona logo, the Hyundai heir personally introduced his first subcompact SUV, **Kona** on June 14. Chung, who does make frequent appearances at motor shows, has not been as available as a presenter, which was what he did for the Kona. This seems to highlight just how much trouble Hyundai is in, what with sales declining right and left. The Kona will be launched in Europe in August, and the US in December.

## NO ONE TO LEAD

Two top posts at **Hyundai Motor America** are empty following the somewhat abrupt departure of vice president of sales, **Derrick Hatami**. That's a first for the company. Hyundai Korean offices didn't want to comment.

Hatami was a Hyundai man since 2005. He worked at Nissan for about a year in between. Hatami has already joined Volkswagen America, a move signaling he was in no mood stay at a sinking ship, according to our sources. Just six months ago, CEO **Dave Zuchowski** was sacked for poor performance. From January to May this year, Hyundai sold 4.8 percent less cars compared to last year.

## DAVID'S FURY

In yet another classic case of David against Goliath, **Medytox**, an underdog in the Korean pharmaceutical sector but the country's largest maker of botulinum toxin, is out for revenge on **Daewoong**, one of the industry's biggest and oldest industry players.

Both Medytox and Daewoong claim copyrights to the strain used for making the toxin, more commonly (and incorrectly) called **Botox**.

Medytox has now sued Daewoong and its US partner **Alphaeon**. This is to stop Daewoong from getting FDA approval for its botulinum toxin called "**Nabota**." Medytox may be smaller, but it knows its game, having already recruited some of the top people from Daewoong.



## CHICKEN OR BEEF?

Chicken is **Harim's** name of the game. Walk into any store, and chicken will most likely be sold under that brand. But few people know that Harim Group – Korea's largest livestock and animal feed company – also sells **beef** under a smaller affiliate called Sunjin Hanmaeul.

The volume is so insignificant, Harim rarely mentions this, but it does indeed sell beef. Harim says it tried unsuccessfully to break into the business in earnest.

Harim was in the spotlight last week when **Jeil Holdings**, its holding company, with remarks on going global once it goes public later this month.

## DRAGON MEETS HORSE

**Seoul Forest** is smack in the middle of Seoul. It's logistically ideal, and the best in terms of fengshui. See, it's where "dragon meets horse to have a drink of water," due to the way the Han River hugs the area, meaning wealth and power won't leak once it becomes yours.

Seoul Forest is also home to **Galleria Forest**, a two-building apartment that is the most expensive in south of the Han River, is It was priced at just over 3.1 billion won for a 170 square-meter home in 2008, but prices have climbed to 3.8 billion won.

Galleria Forest is also home to celebrities like **G-Dragon**, **Kim Soo-hyun** and several **Samsung CEOs**.

## WE KNOW WHAT YOU DID IN KOREA

It's been done. **Uber CEO Travis Kalanick** has left taken indefinite leave following probes by a former US attorney general into toxic workplace culture and ethics.

A trip to a **karaoke-escort** bar in Seoul in 2014 seems to have played a major role in pushing Kalanick out, although the CEO claims his departure is due to personal issues.

Since the investigation started in March, there had been a string of claims on sexual harassment, including when Kalanick took employees to a karaoke-escort bar when they visited Seoul in 2014.



## TIME TO GO GLOBAL

**Lotte** has a reputation for dragging its heels when it comes to **globalization**, since its business is mainly b2b, or otherwise focused on local consumers.

But now, perhaps it has no choice BUT to be global. Lotte Members, a Lotte Group affiliate, recently reached out to the foreign press in Korea, seeking to build relationships.

This was after **Lotte Members** was chosen by headquarters to analyze the data collected by **IBM Watson** that Lotte decided to deploy last year. Lotte Members is out to analyze the buying patterns of not only Korean consumers, but foreigners as well to apply to overseas Lotte retail stores.

## HERE WE COME, IPHONE 8

**Samsung Electronics** seems to be more concerned about the **iPhone 8** than it is letting on. It hasn't confirmed anything yet, but our sources say it's likely to unveil the **Galaxy Note 8** in **August**, which will be earlier than the usual September release at the Berlin IFA trade show. The iPhone 8 is expected to come out in September. The Note 8 is expected to have a 6.3-inch display and a fingerprint scanner on the back.

## WE DIDN'T HAVE TIME...

**Porsche Korea** has halted the sales of five models – **Macan S, Macan Turbo, Cayenne, Cayenne S and Cayenne GTS** – for the time being in Korea after it failed to get approval from the **new fuel-efficiency system** that took effect on May 20.

It's strange that this happened since the government offered a 30 month grace period when it announced revised regulations in November 2014.



## HOME SWEET HOME

**Citibank Korea** Country Officer **Park Jin-hei** reiterated on June 15 that Citibank would not be pulling out of Korea. "There will be **no restructuring**, and **no withdrawal**," according to Park at a press conference for unveiling the bank's internet banking services.

Despite the theme of the party, most of the audience was interested on whether Citibank would stay in Korea after the bank unveiled plans to shut down 80 percent of its branches here to focus on digital banking.

## DECODED X

Thanks for reading. Below are 7 things you should know about DECODED X.

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Thank you.

