

DECODED X

June 22 2017

WHAT'S YOUR GRIP?

The physical gestures of any prominent leader – a slight nod, wry smile, or a certain way he or she walks and talks – are bound to come under close scrutiny.

The same goes for US President Donald Trump, whose handshake has been analyzed over and over by experts including psychologists. Why he patted the back of UK Premier Theresa May, how long – 19 seconds – he gripped the hand of Japanese counterpart Shinzo Abe, and how his hand got kidnapped by the young Emmanuel Macron of France.

Now, Koreans are wondering, what's in store for South Korean President Moon Jae-in, who likes to keep things casual and actively cultivates an image of the "guy next door."

Cheong Wa Dae is reportedly primping the president for the summit with Trump next week because all eyes will be on how the two interact. It doesn't help that the incumbent liberal government is already stuck between a rock and hard place as it is, having to prove to Koreans that it won't be sucking up to Washington, while at the same time not appearing too defiant in the eyes of Trump.

Some say Moon may take the initiative and give Trump a hug or a hard thump on the back, so as not to be taken hostage like Abe. Others say he'll stay conventional, but dig in his heels if Trump tries anything funny.

Read on for this week's **DECODED X**.



KEEP IT SMALL

After much ado, **Tesla Motors** has finally launched in Korea. On June 20, it held a **low-key launch event** based strictly on invitations.

Only about 120 people attended the event, including Jon McNeill, head of global sales and services. As The Investor previously reported, Tesla founder and CEO Elon Musk was absent.

Tesla said the reason for the modest affair was because most of its customers are high-profile people who don't want media coverage. For this select clientele, Tesla also demonstrated its latest services, such as the semi-autonomous system Autopilot.

FIT FOR COWS

Sonata is a car model manufactured by Hyundai Motor. Despite being an affordable and reliable car with a reasonably good-looking exterior, it has gained the reputation as a "car fit for cows," playing on the name "Sonata" which when read in Korean, can mean "only cows ride this (car)." This was also because Sonata was quite popular in the 90s and early 2000s.

Now, Sonata has gained newfound fame after **Foreign Minister Kang Kyung-wha** chose it as her official vehicle. Her model of choice was the Sonata Hybrid, 2000cc. Kang said the size was perfect for her, not to mention that it's eco-friendly.

WHAT'S IN YOUR BURGER?

McDonald's is in the hot seat on claims that a child got gravely sick after eating one of their burgers. A four-year-old Korean girl is now undergoing **dialysis** after eating a hamburger that could have given her the so-called the "**Hamburger Disease.**" This can be contracted after consuming undercooked patties.

But McDonald's is taking its time paying out **insurance**, claiming there is no direct link between its burgers and the disease.



Unfortunately, this is true. The girl's family says the hamburger was all she ate before she got so sick, but no doctor can actually determine the link between the direct cause – that is, the specific food that made the girl sick – and the hamburger.

McDonald's told The Investor that it is still negotiating the insurance terms.

LOSING CUSTOMERS

Chinese tourists don't like **Lotte Hotel**, it seems. Actually, they may like it, but their traveling agencies don't give them a chance to see for themselves.

Most Chinese tourists are here for the shopping, but hotels in the downtown Seoul area are quite expensive, going for up to US\$500 per night. So the traveling agencies put these people up at cheap hotels as far as Daejeon, which is about 2 1/2 hours away from Seoul.

This would be seen as absurd by Koreans, but for the Chinese tourists who are so used to traveling long distances back home, two hours is nothing. Sorry, Lotte. But since you're so quick to build things, how about erecting another landmark in one of these provinces?

JAPAN OVER KOREA

Stem cell developers seem to prefer **Japan** over Korea to launch new products. This is mainly because of speed and convenience. For most industries, Japan is the slowest you can imagine. Each barrier takes ages to be cleared, and even then, they are careful.

But in this particular area, Japan hands out approvals at the speed of light – the fastest in the world, possibly. That's precisely why **Cha Medical Group** – previously in the spotlight for links to the Choi Soon-sil scandal – conducted stem cell treatments in Japan, and not Korea.



ALL'S WELL THAT ENDS WELL

An attorney recently contacted The Investor, delivering good tidings. He told us a Seoul court has ruled in favor of investors who suffered losses in what went down as the biggest **stock price manipulation** in Korea caused by **Deutsche Bank** employees in 2010.

Since then, one Korean working for Deutsche Bank Korea has been arrested, but several who worked for the bank's other Asian branches got off scot-free.

But at least, the court has ordered Deutsche Bank in Germany and Deutsche Securities in Korea to pay US\$538,000 plus interest to 11 plaintiffs. It also rejected claims by the two firms that the statute of limitations for a civil suit expired in 2014.

GLOBALIZATION, SHMOBALIZATION

For even the large banks, such as **KB Kookmin**, **Shinhan** and **Woori**, it's hard to make a dent in markets outside Korea, mostly because of the lack of demand.

Finance is still considered as a sort of national interest in most countries, and so is dominated by domestic players. Employees at the overseas branches of major Korean banks say they really have nothing much to do because they can't attract new clients. At most, they serve as offices for Korean companies there, or else, to greet people from headquarters who are on business trips.

Banks like **KEB Hana** have been trying to buck this trend by putting Chinese nationals in top posts, but the road ahead is long and winding.

THICKENING TIES

Toshiba has become something of a household name in Korea these days.

Once famous for its laptops here, Toshiba has emerged as a potential partner in several key deals with local companies. **SK hynix** wants to buy its memory chip unit, and in **NuGen** – a company that's going to build Europe's largest nuclear power plant in the UK – Toshiba is likely to sell stakes to Korea Electric Power Corp.

Is this the beginning of a beautiful friendship?



HIDDEN CHAMPION

Who knows that **eBay Korea** is “**small giant**” in the local e-commerce scene?

It refuses to publicly promote itself, but eBay is the No.3 retailer in Korea, next to Lotte and Shinsegae. The company’s annual transactions exceeded 14 trillion won (US\$12.2 billion) in 2016. It’s the largest shareholder of Auction, and it also owns Gmarket.

Recently, eBay Korea has been in a bit of a tug-of-war with **Naver**, through which it gathers potential shoppers. On the one hand, it wants to stay on Naver’s online shopping mall list, but on the other, it wants to undermine Naver’s ever-growing prominence. At one point, eBay cut its cords with Naver, but lost almost 20 percent of sales. So for now, it has no choice but to team up, albeit reluctantly.

DECODED X

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

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