

DECODED X

May 15 2017

KOREA'S GREAT LOVE AFFAIR

Confucianism. Some of the core ideas behind it are rank and authority, both also ingredients for authoritarianism. And authoritarianism was what Korean society was based on for a long time.

You do as you are told by someone older or of higher rank. Obey your parents, your seniors, your boss, and sometimes, even your husband.

In some ways, this system worked; it got work done faster and easier.

But we are no longer in that post-War era where all we need is to get things done quickly and without much ado. From here and beyond, it's going to be more about HOW things get done. It's about empowerment.

And empowerment was what was promised by President Moon Jae-on his campaign trail.

But actually delivering on that promise will be a challenge, even with someone with his support ratings.

In a society still dominated by many who are used to, and secretly believe in the power of authoritarianism, a different kind of leader can get flak for being inefficient, too soft or wishy-washy.

Moon's recently uncharacteristically harsh words toward North Korea on its missile launch was one incident that seemed to show that he has a backbone.

Read on for more.

PRESIDENCY

Since getting elected, Moon has been in the spotlight for what the local media calls "**radical steps**" to break rank. Frankly, these steps don't seem that huge. For instance, the press is raving over how he takes off his own suit jacket, without the help of an aide. Or how he takes selfies with citizens. His wife, first lady **Kim Jung-sook**, made headlines by "humbly" offering instant noodles to ordinary folks.

It seems slightly absurd for such gestures to receive so much attention, but these are still early days. It also reflects just how much people want Moon to be a different kind of president.

So let's sum it up. What's Moon got going for him?



- He reminds people of late President **Roh Moo-hyun**
- He (sort of) reminds people of former President **Barack Obama**, or people want him to be Korea's Obama
- He's not (too) rich (Moon reported personal assets worth 1.86 billion won, or US\$1.65 million, this year)
- He made it in life based purely on brains and tenacity
- He's kind of like your friendly next-door neighbor
- He has a likeable wife

PRESIDENCY

Looks briefly became an issue when President Moon selected **Cho Kuk**, a reformist law professor as senior secretary for civil affairs.

Cho has been known not only for speaking up on completely **reforming Korea's prosecutorial system**, but also for his good looks.

Look him up, especially pictures of when he was younger, and it's not hard to guess why.

The 52-year-old professor has lost some of his sheen now, but the traces of the **golden looks** he once had are still there. Even opposition politicians took issue with Cho's looks.

The man of the hour also acknowledged his popularity, saying it has been "difficult" living as such a handsome man.

We just hope he knows he wasn't chosen for his looks, and that he has a lot on his plate if he is going to put a knife to the prosecution, one of the most hardcore conventional, elitist power groups in Korea.

SEWOL

Lloyd's of London has recently agreed to cough up **100 billion won** (US\$ 89.03 million) to Korean Re in relation to the **Sewol Ferry disaster** that claimed 304 lives. After hemming and hawing for over 2 years, the two finally reached a consensus.

Korean Re was insured up to 150 billion won in Lloyd's. Korean Re provided insurance coverage of up to 103.8 billion won to Korea Shipping Association, which, in turn, offered up to 111 billion won worth of coverage — amounting to 350 million won per person — for Cheonghaejin Marine Co., the operator of Sewol.

The bottom line is, Korean Re will finally get a good night's sleep. Initially, Lloyd's didn't want to pay up, but decided otherwise after gauging its business relations in Korea.



XIAOMI

DECODED X previously reported that Chinese appliance maker **Xiaomi** is pondering over whether it should try to enter Korea as planned this year, or wait a bit longer. This question still seems to be hanging in the air. The Investor recently met the lady who is in charge of Xiaomi's smartphone sales in Korea who didn't want to say that anti-Sino sentiment in Korea is a concern. She said it was due to marketability concerns — Chinese phones are still not that popular in Korea — but things haven't been great between the two neighbors. Xiaomi currently sells its premium **Mi MIX** phones in Korea.

RENAULT SAMSUNG

To be fair, it might be a little premature to say that **Renault Samsung Motors** will soon shed the Samsung brand. For Samsung, it makes no sense to give up royalty fees until the contract expires in **2020**.

For Renault, the issue is slightly different. One source close to the matter said that Renault has actually been thinking much more proactively about dropping the Samsung brand.

Renault has been making much strides recently, and **Chairman Carlos Ghosn** is trying to put more emphasis on the French brand and its newly acquired Mitsubishi. So for Renault, the motive and drive are definitely there, but the timing isn't right. Other sources told The Investor that Renault doesn't want to get blood on its hands, so it is waiting until the contract expires.

COUPANG

Coupage Men — the affectionate nickname given to e-commerce firm Coupang's delivery men — are furious. Several have sued CEO Kim Bom for changing wage plans without notification. According to the Coupang Men, the regular workers' salaries nosedived from 3.1 million won (US\$2748) to 2.5 million won. For irregular workers, wages plunged to 2.1 million won from 2.3 million won. Here's what Coupang told The Investor.



- Salaries were adjusted in March this year to better reflect performance
- Per capita wages rose under the newly adjusted system (Company did not indicate how much)
- Not one Coupang Man had his contract revoked midway (Those who underperformed were not given a renewal)
- The May workload was bigger mainly due to seasonal reasons (Children's Day, Parents' Day and a long holiday to boot)

A steady stream of complaints have been coming from Coupang Men since April this year. They believe operating deficits are responsible for their reduced wages. These delivery people are what makes **"rocket delivery"** possible, and they form an essential part of Coupang, which set sail in in 2010.

SAMSUNG

There are three men who guard **Samsung Electronics' ad and sponsorship** coffers today.

These three, who shall remain nameless, are the ones who can decide how much to give to which organization. All of them hold executive positions — of senior vice president level or above.

But due to the fact that Vice Chairman Lee Jae-yong is behind bars, and the lack of Samsung Group's strategic team which used to be the control tower for such expenses, these three men are being chased in a bizarre kind of way. They are being sought out, but very cautiously.

This is due to two reasons. One is because Samsung executives no longer have the power to dole out money to media or nonprofit organizations. That is, the scope of their authority has been cut back considerable.

Another is because, well, it simply does not seem okay to ask for money when the top brass is in jail, regardless of whether he committed a wrong or not. But some sources say that Samsung will soon have to unleash ads soon when it needs the media on its side when Lee appeals.

One fun side effect from all this is that media firms are now leaning more heavily on LG, SK and Hyundai Motor for ads. One LG spokesman recently blew up, asking why LG should be bearing the brunt of Samsung's crisis.



DECODED X

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

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