

DECODED X

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13

Moon Jae-in has been president for **13** days on May 22. As of today, he has appointed **33** key policymakers. As expected, there were many twists and turns. The essence of the presidential team can be boiled down as below:

- 50s (48.5%)
- Seoul National University (63.6%)
- Born outside of Seoul (51.5%)
- Women (9%)
- Bipartisan

Of the criteria, bipartisan seems to stand out the most. Whenever a new president came to power here, that meant everyone who works for his rival or rival party would be left in the dust for five years – à la coup d'état, style. That left a lot of hard feelings and loose strings, but above all, national projects would come to a lurching halt to reflect the ideas of the new president and his or her entourage.

But these are early days still. We'll have to see what else is in store for what Koreans call one of the most "decent" governments in modern Korean political history.

Read on for this week's edition of DECODED X.

JAPAN VS N.KOREA

Japan has definitely been upping the ante on the Korean peninsula in the wake of recent provocations from **North Korea**.

About a month ago, the Foreign Ministry of Japan asked its people to refrain from **traveling** to South Korea due to the military threats being posed by Pyongyang. Business trips to Korea that had been planned way in advance have been canceled.

Coincidentally, before the recent string of indirect talks between Seoul and Tokyo via messengers, the Abe administration in Japan had been avidly bashing Moon Jae-in when he was the presidential candidate, predicting that Moon would sell the country to the North.

Japan reportedly was taken quite aback when Moon took a hawkish stance on North Korea after its recent missile tests.



RENAULT SAMSUNG

In the third week of May, **Renault Samsung Motors** held a vision sharing session at Kintex in Ilsan.

Some of the employees at the venue told The Investor that they hope Renault Samsung Motors would be able to eventually operate as an independent brand in Korea.

“While we appreciate what the **Samsung brand** has done for us, it seems like the time has come for Renault to go solo,” one employee said on the condition of anonymity.

The contract between Renault and Samsung for using the Samsung brand won't expire until 2020. Until then, Renault must fork over royalties worth 0.8 percent of its profit from cars produced from Busan. In 2016, Renault paid 18.7 billion to Samsung.

Also, we wonder if anyone remembers that in March 2016, Renault Samsung Motors Korean chief said the company can “no longer delay making a decision on going solo.”

MBK Partners

MBK Partners has found a new firm to spend money on: It's **Modern House**, a home and living brand of E-Land Group, according to E-Land on May 21.

The cost was 700 billion won (US\$626 million), and the official handover will happen this month.

Modern House records annual sales of 300 billion won. MBK Partners will keep on running Modern House stores for the next ten years.

MBK Partners has been in a bit of trouble trying to exit from **Coway**, a local consumer health appliance rental and service firm. It managed to sell a small stake for 380 billion won, but it has yet to find someone for the rest.

MBK Partners told The Investor its investment in Coway is nothing close to failure, saying it's just a matter of time. But from what we hear, Coway has become too expensive to hand off, and that's why MBK was forced to sell the stake.



BOTOX

You can't call it **Botox**. Yes, everyone calls it that, but bet you didn't know there was a copyright on that name.

Botox is the brand name for the wrinkle-fighting **botulinum toxin** produced by **Allergan**, a pharmaceutical company based in the US. It became so famous that Allergan's product is now eponymous with the toxin.

So Allergan holds the copyright to Botox, and everyone else is supposed to call it botulinum toxin, including the ones produced by Korean drug makers, who actually didn't bother to tell anyone in Korea that it can't be called Botox.

BAIN CAPITAL

Bain Capital, a US-based private equity firm, is receiving quite a bit of spotlight in Korea these days.

In April, Bain agreed to acquire a 40 percent stake in **Hugel**, a pharmaceutical firm that makes botulinum toxin – also known more commonly as botox.

Bain also formed a consortium with **SK hynix** to acquire Toshiba's chip making business. The consortium recently was reported to have bid just under 2 trillion yen (US\$18 billion) for the deal.

Here's what we know about Bain:

- Sticks its oar in most M&A deals involving Korea and Japan
- Has a Korean branch manager, but no Korean office
- It was first known in Korea with its bid for ADT Caps (security firm) in 2015
- It teamed up with Goldman Sachs in 2016 to acquire Carver Korea (cosmetics firm known for brand AHC) for 430 billion won

CJ COMEBACK

CJ Group was on full alert on May 17, the day its chairman **Lee Jay-hyun** made an official comeback after a four-year hiatus.

Lee had been out of the picture due to his health, and also because he had to partially serve out a jail term. Lee suffers from Charcot Marie Tooth Disease, an inherited illness that strikes many in his clan.



The CJ Group staff, including all the senior officers in every affiliate were on full alert this day. Several had to run back to headquarters even after hours when the group called an emergency meeting for all top brass. The contents of the meeting was not revealed, but the group is definitely on edge to make sure nothing mars the return of its master.

NETMARBLE

The rumors have been ongoing for some time now, how **overworked Netmarble's** technicians and engineers are.

All-nighters are the norm, and pay is erratic for such overtime, according to disgruntled Netmarble staff. In the world of IT and games, it's not uncommon to see employees complain of long working hours. But the rumors seemed to have been real.

The government has stepped in, and on May 22, it announced that it ordered Netmarble to correct related malpractices, as it found 63.3 percent of the workforce working over the legal weekly limit.

The company says it will try to correct the problem, but still insists that overtime is the norm in the industry.

INDIAN DREAM

In a recent interview with The Investor, **Mahindra Korea president Dilip Sundaram** asked why Korean firms are so reluctant to invest in India. For those of you who may not know, Mahindra & Mahindra of India is the owner of **Ssangyong Motor**, which is now on a roll after years of being stuck in the doldrums.

So, why not India?

He believes that Koreans simply don't have enough passion when it comes to Korea. The initial failed entry of POSCO also seems to be holding back Korean firms, but he asked why companies are looking to the past, and not towards the future.

Regarding reports that Kia was forced to move the site for its Indian factory over kickback demands, Sundaram said such cases were few and far in between, and that India is doing everything to fight corruption.

Wait for more on the Indian Dream in our next edition of DECODED X.



DECODED X

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

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