



MARKET OPPORTUNITY KOREA

Environment & Water Technologies

OVERVIEW

- Korea's "Resource Circulation Economy and Society" initiative will drive investments in environment and water technology as the country seeks to reduce reliance on natural resources and adopt new recycling technologies.
- Korea's Ministry of Environment forecasts growth for the environmental industry to exceed €107.7 billion by 2020.
- High growth in the areas of recycling, waste management, sewage and wastewater treatment, and air quality management technologies.
- The technological competitiveness of Korean companies in the environmental industry was evaluated as 5 years behind on average compared to the EU and the US. This has opened more opportunities for collaboration and co-development.

Top Business Opportunities for EU Companies

Waste

1. Companies offering innovative technologies in recycling e-waste (urban mining), Waste-to-Energy and bioplastics (bio-degradables).
2. Companies open to joint venture opportunities or partnerships with local companies.

Water

3. Companies offering Operations & Maintenance solutions, systems and technologies.
4. Companies offering components and equipment relevant to the water supply chain.

Air

5. Companies offering advanced air pollution control technology.

Other opportunities

6. In Environmental Safety & Health, Companies open to collaborating with small local enterprises and start-ups in developing noise and vibration control technologies.
7. Companies offering technologies and innovative solutions for soil restoration/soil prevention.

MARKET CHARACTERISTICS

Waste sub-sector

- Total waste generated increased by 14.5%, from 375 million tons (2010) to 429 million tons (2016). The waste recycling rate increased by 2.1%, from 82.7% (2010) to 84.8% (2016).
- The implementation of new policies to promote circular economy will increase demand for recycling technologies and manufacturing facilities for recycled products. Expect a boost for the waste-to-energy market.

Water sub-sector

- 84% (11,683) of water companies are small-sized firms with less than 10 employees; 1% (56) are larger firms with over 500 employees.
- The government has announced large investments on the modernisation of waterworks (2018).

Air sub-sector

- Public demand for resolving fine dust issue and controlling harmful gas emissions has been drastically increasing.
- Due to new regulations, demand is expected to grow.

Further opportunities

- Environmental Safety and Health: Noise and Vibration
 - Increasing demand in equipment or facilities to reduce noise due to the law and regulation.
 - Existing incentives and opportunities for SMEs and innovative companies in the early stages of growth.
- Regulations to restore the environment (Soil, Surface Water, and Groundwater) are expected to expand in scope.



70% of the Korean market is dominated by five top companies.

Identifying good partnership opportunities is key to succeeding in Korea.



Source: Ministry of Environment, Statistics on Korea's environmental industry (2016)



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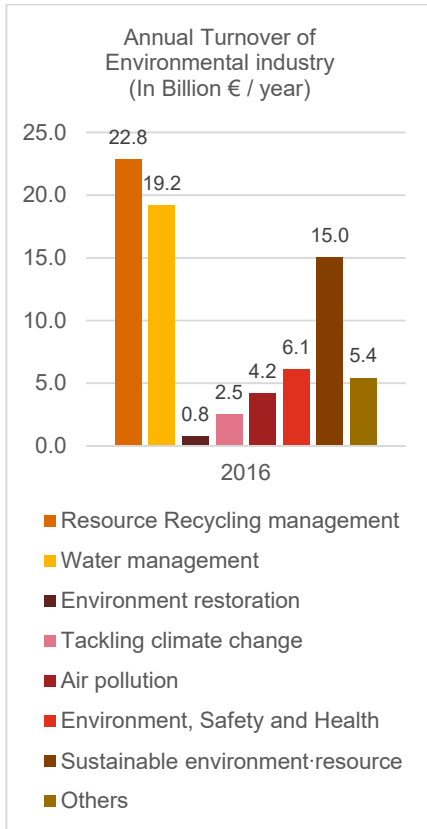
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Drivers

- The sector has grown 15% annually over the past 8 years.
- New market policies in the recent years have enhanced the use of environmental technologies, especially for the manufacturing and construction industries.
- High public demand on better air quality, healthier and safer life will lead to the expansion of environment and water industry in coming years.
- High demands on high-tech (energy efficient, higher performance) equipment and O&M of existing facilities.

Barriers

- Waste management currently relies on public contracts, setting barriers are relatively high for new players.
- Water supply distribution and sewage treatment facilities are operated by local players, countering new entries in market.
- Complicated regulations on permissions and certifications hinder foreign companies from penetrating the markets on their own.



Korea Environment and Water Market map

Three key sectors

WASTE

WATER

AIR & OTHER

For three key industries

Manufacturing – Construction – Services

Key products

Waste:

Mechanical & Biological Treatment
 Recycling machinery
 Incineration and landfill Machinery
 Waste-to-energy
 Waste collection and transport

Water:

Water treatment chemicals
 Sterilising machinery
 Water storage, filters, pumps, valve and purifier
 Water supply and sewage treatment
 Water quality inspection

Air:

Advanced technologies for air pollution control
Others:
 Surface and ground water solutions
 Soil prevention
 Environmental restoration analysis
 Data Collection

Sample of key players

