BUSTLING BUSAN

Korea's second largest city combines a favourable business environment with an enviable quality of life

WORDS MICHAEL ALLEN

Busan, which sits on the southeast coast of the Korean Peninsula facing Japan, was one of only two South Korean cities not captured by North Korea during the 1950-53 Korean War. Consequently, the city served as a haven for refugees and a gateway for the United Nations (UN) troops battling the North.

"The actual combat never quite made it to Busan," says John Bocskay, director of international affairs at the United Nations Memorial Cemetery in Busan and author of Culture Shock! Korea. "At one point, pretty much all of the peninsula except a 30-mile [50km] perimeter was captured. This was the last bastion from where the UN then launched their counterattack against the North. Busan didn't see the destruction other parts of the country saw, but... it saw a massive influx of refugees from the war and grew very rapidly in this pell-mell way to harbour these refugees."

Bocskay, who grew up in the suburbs of New York City, is one of many expatriates who have chosen to call Busan home, drawn by the city's more relaxed lifestyle compared to the frenetic capital Seoul.

More than 60 years after the Korean War, Busan has grown to become the second largest city in South Korea, with a population of 3.7 million, according to the Busan Tourism Organization (BTO).

Busan also boasts the world's sixth busiest container port and the world's third largest transhipment port. In the MICE sector, it ranks seventh globally by number of meetings held and is the only non-capital city in the top ten list. In Asia, Busan ranks fourth — ahead of fellow Korean cities Jeju, Incheon and Daegu — with only Singapore, Seoul and Tokyo holding more meetings.

‘Busan didn’t see the destruction other parts of the country saw’ in the Korean War
“Busan grew from a tiny trading outpost and a few hamlets into this massive city,” says Bocskay. “The layout of the streets still has this organic character – it’s very much a city that wasn’t planned. A lot of the city still feels like that and a lot of what the city planners have been doing in recent decades is catch up and apply some order. It still has a little bit of that mountain village character with these winding roads and nooks and crannies everywhere where people settled after the war.”

While its intricate streets might be tough to navigate for the first-time visitor, accessing Busan itself is easy: citizens of 117 countries enjoy visa-free entry. There are 12 flights (50 minutes duration) per day from Incheon International Airport and 60 similar length flights from Gimpo International Airport. If you prefer to take the train, there are around 58 daily high-speed SRT trains from Suseo Station and 120 daily high-speed KTX trains from Seoul Station.

In May, Singapore Airlines’ subsidiary Silkair launched non-stop flights to Busan, giving the city its first direct air connection to Singapore. The four-times-weekly service operates on Mondays, Wednesdays, Fridays and Saturdays using the carrier’s Boeing 737-800 aircraft.

Finding suitable accommodation is much easier these days too, with over 53,000 rooms available. Five-star hotels tend to go for around US$140-$300 per night, four-stars for US$100-$140 and three-stars for only US$60-$100.

Busan rates strongly from a cultural standpoint too. Since 1999 more than 1,000 domestic and international films and TV programmes have been shot in and around the city. You have probably seen or at least heard of 2016 zombie movie Train to Busan, which grossed over US$81 million worldwide at the box office.

And in the coming years, Busan is set to get several new iconic features. In 2021, the 2,000-seat Busan International Art Center will open, followed in 2022 by the 2,100-seat Busan Opera House. The same year will also see the launch of the US$385 million Busan Lotte Town, featuring a skywalk, rock climbing and children’s theme park.

LURING BUSINESSES BIG AND SMALL
While Seoul is – and is likely to remain – Korea’s pre-eminent business centre, several big businesses are betting on Busan, given the local government’s increasing openness to foreign investment.

One of these is New York-based WeWork, which provides trendy co-working spaces with foosball tables, craft beer and fruit water on tap, and mouthwash in the bathrooms. The company set up its first WeWork co-working space in Busan, WeWork Seomyeon, on April 9, and plans to open a second, WeWork BIFC, in the third quarter of 2019 situated in the Busan International Finance Center.

“Busan for us is an obvious choice in being the second largest city in Korea,” says Matt Shampine, general
manager of WeWork Korea. “We’ve been working very closely with the Busan metropolitan government, really focused on helping in any way we can to reshape the city.”

Another multinational company that has chosen to form a presence in Busan is US staffing firm Kelly Services. The company has two offices in Seoul — its staffing business in the 33-storey Jongno Tower and its main office in the Seoul Finance Center — and its second branch office in Busan.

“We’re running basically all of our services business out of Busan,” says Mitchell Williams, vice president operations for Kelly Services Korea. “The main service we provide to businesses here in Korea is HR: staffing for temp workers, whether they be junior or senior; headhunting or placement — finding candidates that have usually more than ten or 15 years’ experience for jobs. Anywhere from doctors to the tech industry, to a number of different industries across the board — 40 that we focus on.”

One of those focus industries is shipping, a major industry in Busan given its two ports (and a third under construction). A few years ago, however, that industry suffered a downturn. “Before that, there were a lot of northern European companies located here and it was just really shipbuilding-focused organisations that wanted to do business here. With the downturn of the shipbuilding industry in Busan it kind of hit everybody really hard,” Williams says.

Recently, however, the shipping industry has rebounded somewhat, and Williams expects more people working in that industry to relocate to Busan, following an exodus several years ago. Along with the re-emergence of shipping, other industries have been entering Busan as well. One of these is start-ups, which are seeing significant support in the city.

“There’s a lot of push for programmes which can accelerate start-up companies. That’s been happening for a while in Seoul, but as far as Busan is concerned, it’s high on the radar,” Williams adds.

A HUB OF ENTREPRENEURSHIP

It’s not only large multinationals choosing to call Busan home. Expatriates in the city are finding it a friendly place to establish their own small businesses.

New Yorker Mike Conforme has lived in Busan for almost a decade. A cigar smoker since he was 16, after he retired he decided to open a cigar shop, Casa Habano Busan, down at the beach in Busan.

“Some people like to do business over cigars,” Conforme says. “You are able to talk on a very intimate level and at the same time enjoy the cigar lifestyle.”

But setting up a cigar lounge in Busan was not straightforward. In 2013, the Korean government passed anti-smoking legislation aimed at improving public health. “The intent was to curb cigarette smoking and, unfortunately, there was no distinction made between cigarettes and cigars,” says Conforme. As a result, cigar clubs inside hotels had to close down, including several in Busan.

Conforme decided two-and-a-half years ago to test the waters in Busan to see if it was a feasible market for cigars, despite the strict regulations, starting out with private pop-up events, including cigar tastings and dinners, as well as cigar yacht cruises.
"We found there still is very high demand for cigars, especially from local aficionados and enthusiasts who enjoy the cigar lifestyle. Naturally, we also have a lot of tourists visiting us from overseas, as well as business people coming here to work, and the majority of them still search for local places to visit, relax and enjoy cigars in a comfortable environment," he says.

In 2018, Conforme found the "perfect location" in a major tourist area near Haeundae Beach that met all the regulations to set up a private cigar club, and in October 2018 Casa Habano opened its doors. In addition to Casa Habano, Conforme also has two cigar clubs in Seoul.

Conforme has seen Casa Habano grow as a place where people can build business connections and friendships over a shared passion. "One of the best benefits of a private membership club is the camaraderie, the friendships and the networking. Being able to introduce different members to one another and watch as their friendships develop naturally over cigars is a pure joy," he says.

"On any given day, we could have university professors sitting and interacting with lawyers, journalists, corporate CEOs, entrepreneurs, business owners, etc., with the common bond being the cigar lifestyle. It's kind of unique and interesting."

Paul Edwards, who hails from Wales in the UK, is another Busan expatriate whose small business entrepreneurship involves the purveyance of pleasurable vices. Edwards is co-owner of Gorilla Brewing, a craft beer brewery and bar in Gwangnam-ro that he set up in 2015 with business partner Andy Green.

It hasn't always been easy to set up a microbrewery in Korea. For years, restrictive legislation mandated a large volume production that microbreweries simply could not match, according to a Slate article. In fact, until 2002 microbrewing was illegal in South Korea. In 2012, an Economist article lamented the country's "boring beer", saying that local brews such as Cass and Hite go down easily enough... "yet they leave little impression on the palate."

Edwards says: "The law was based on how big your kettle was and how big your fermenters were – and it still is based on that. But the sizes back then were so ridiculous that even the big breweries had a huge fermenter that they never used; it was an empty tank."
Once this law was finally loosened in 2014, however, Korea’s microbrewing scene was able to flourish. “Now, the beach where we are is a bit of a craft beer mecca,” says Edwards. In the same area you can find several other microbreweries, including Wild Wave Brewing and Galmegi Brewing, the latter of which Edwards also founded.

“When we opened Galmegi there were definitely less than 50 breweries,” says Edwards. “Three years later, when we opened Gorilla, there were about 100. They’re talking about around 100 openings this year in Korea, and there are 150 in the planning phase from what I’ve been told.”

Although Gorilla Brewing is a mostly foreign-owned enterprise, Edwards says that local Koreans are key to his customer base. Gorilla Brewing also self-identifies as a Korean craft brewery. “Foreigners are usually heavy drinkers, but I think it’s places like Singapore where you can really base your business off the expat community,” he says, adding: “Less so here.”

For those expatriates who have chosen to call Busan home and created lives for themselves in the city, the place seems to have a special force that keeps them anchored to the city. “At some point I will move up to Seoul,” says Kelly Services’ Williams, “but I will always keep my home in Busan. Busan has a very special place in my heart, so I won’t fully move up to Seoul. I will keep my home here and go back and forth from time to time, just because I want to keep my roots in Busan.”