Towards Stronger Long-term ROK-USA Defense Industry Cooperation

DICC Annual Meeting
Washington DC
October 6, 2016

With Confidence, Service and Pride
Company Overview

+ Founded in 1977
+ 40 years of experience in melting and metal fabrication
+ Almost 20 years of experience in producing high-performance alloys including titanium and nickel alloys
+ Vertically integrated production: from melting to metal fabrication (casting, forging, ring rolling, etc.)
Our Products for Defense Sectors

**Defense**
- Missile Components
  - Material
    - Ti Gr.5 (Ti-6Al-4V)
    - D6AC
    - Maraging C250, T250
    - SPM1700

**Commercial Aircraft**
- Lay-up Mandrel for Raked Wing Tip
  - Material
    - Invar36 (FeNi36)

**Space**
- Liquid Fuel Burner
  - Material
    - Cu-Cr
    - F316L
    - SUS329J1

**Submarine**
- Submarine Components
  - Material
    - F6NM(1.4313)
    - F51(1.4462)
Company Strategy and Obstacles

Strategy to expand to defense industry
- Investment: new factory under construction, dedicated to A&D industries
- Application for required qualifications: AS9100 & NADCAP
- Active marketing and promotion

High-entry barriers
- Lack of information and network in defense industry
- Required qualifications
  - Approval as an official vendor of global defense companies

Limitations as a SME
- Lack of information about the process
  - Whom to contact?
  - How to submit the application and launch the process?
  - How to prepare for the registration process?
Benefits of Becoming an Official Supplier

- Opportunity to Work With Global Top Defense Companies
- Upgrade Internal Quality Management Systems
- Adapt to Global Industry Standards and Practices
Benefits of Approving ROK SMEs

- Diversification of Global Supply Sources
- Possible Cost-reduction and Other Comparative Advantages
- Stronger Business Relations With Korean Partners
- Enhanced Reputation Within the Korean Market
Challenges and Suggestions

- Approval is a Very Resource-Intensive Process
  - Long duration (usually 2-3 years)
  - High financial costs
  - Strong commitment needed from both companies

- Better Communication & More Information
  - Clear expression of interest
  - Direct contact points from both companies
  - Clear timeline and milestones about the registration process
  - Clear indication of cost sharing
Suggestions to Governments

- **Suggestions for ROK Government**
  - Recognize foreign companies’ efforts for approving Korean SMEs
  - Provide incentives for foreign contractors: e.g. Offset credit
  - Provide supports for Korean SMEs: e.g. legal and administrative assistance

- **Suggestions for Both Governments**
  - Support stronger ROK-USA business partnership as a pillar for stronger ROK-USA alliance