



Towards Stronger Long-term ROK-USA Defense Industry Cooperation

**DICC Annual Meeting
Washington DC
October 6, 2016**



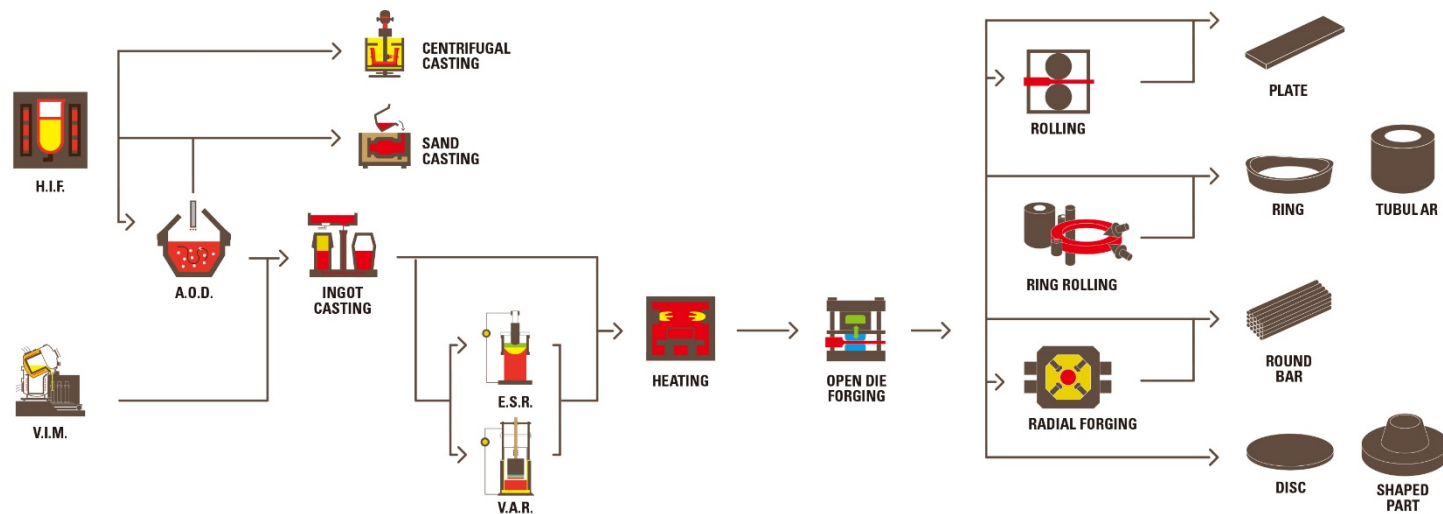
KPCM

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 Manufacturing Process



Our Products for Defense Sectors

Defense

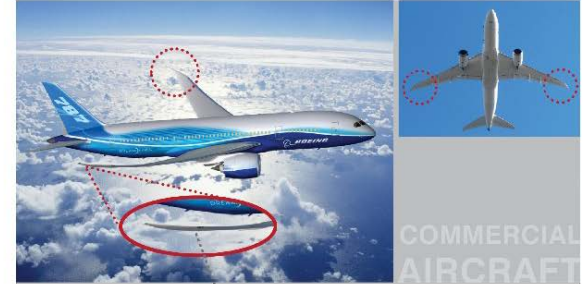


◆ Missile Components

Material

- Ti Gr.5(Ti-6Al-4V)
- D6AC
- Maraging C250, T250
- SPM1700

Commercial Aircraft

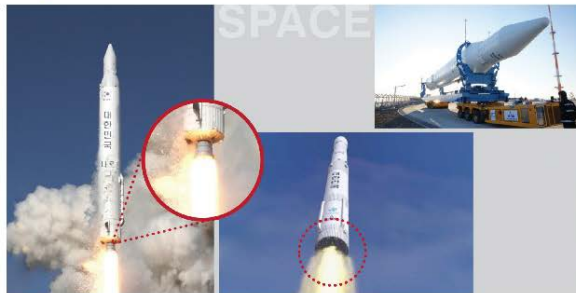


◆ Lay-up Mandrel for Raked Wing Tip

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