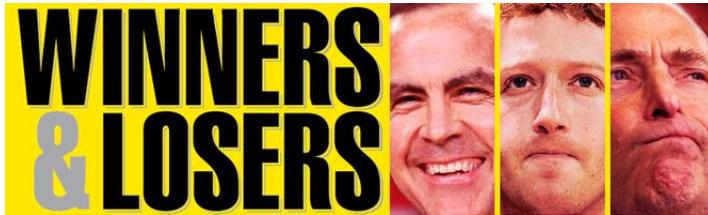


## The Big Winner of 2012: South Korea



(Photo:Ahn Young-joon/AP)

South Korean companies dominated 2012, asserting their superiority in the automotive and tech sectors, and reaping the rewards of decades of meticulous business development.

And who better to shine a spotlight on that success than a dapper, horsey-dancing rapper?

The dance hit “Gangnam Style” by Korean artist Psy racked up more than 787 million YouTube views—the site’s most-viewed video ever—and sparked a frenzy of Psy-like prancing around the world. Everyone from Ellen Degeneres to the Ohio State marching band to Filipino prisoners to your cousin’s wedding party have

imitated the song's dance moves, which is sung entirely in Korean, save for the title and the obligatory, "Heeeeey, sexy lady!"

All the hype around "Gangnam Style" mirrors the gangbuster year Korean brands have had, whether it was Samsung overtaking Apple as the world's top-selling smartphone maker or Hyundai capping 46 straight months of sales growth with its best October ever. Meanwhile, LG has continued its rise to the top of the consumer electronics heap, most recently with collaboration with Google on its newest Nexus smartphone. Korean brands have emerged from a low-cost, lower-quality copycat past to now place among world leaders.

The country and its brands have grown in tandem. Half a century ago, Samsung was selling dried seafood and noodles, and South Korea was one of the poorest countries in the world, with income levels equal to sub-Saharan African nations. But by the start of 2012, its GDP was ranked 15th in the world, bigger than countries like Holland and Sweden. It's now touted as one of the few nations in the world that has gone from an aid-based economy to great wealth within a relatively short time. And its transition from a military dictatorship to parliamentary democracy is held up as a model for others.

Driving South Korea's ascent has been its powerful conglomerates, known as chaebols. With their dominance of the domestic economy, chaebols like Samsung, LG and Hyundai had the resources to compete internationally. They account for less than 25% of the country's workforce but more than half its economic output. Other factors have also aided Korea's ascent. The country is also second only to the U.S. in share of GDP spent on post-secondary education and closely trailed Taiwan in increased manufacturing hours during the recession recovery in 2009 and 2010. Korea is also the world's most-wired country, with high bandwidth speeds and Gone are the days of cheap Sony and Toyota knock-offs. South Korea's success in 2012 tops off years of incredible growth and gives every Korean the right to show off a little—in true Gangnam style.