

Kim Woo-Jung, the son of the Provincial Governor of Daegu, started the Daewoo group during the month of March of 1967. He first graduated from the Kyonggi High School and then studied at Yonsei University in Seoul where he finished with an Economics Degree. Daewoo became amongst the Big Four chaebol in South Korea. Growing into a multi-faceted service conglomerate and an industrial empire, the business was prominent in expanding its worldwide market securing various joint ventures worldwide. In the 1960's, Park Chung Hee's government started to promote the growth and development within the nation after taking office at the end of the Syngman Rhee government. Exports were promoted in addition to increasing access to resources and financing industrialization to provide protection from competition from the chaebol in exchange for political support. Initially, the Korean government instigated a series of 5 year plans wherein the chaebol were required to accomplish a series of certain basic objectives. As soon as the second 5 year plan was applied, Daewoo became a major player. The company greatly profited from government-sponsored cheap loans which were based on possible income earned from exports. At first, the business concentrated on textile and labor intensive clothing industries that provided high profit margins. South Korea's huge labor force was the most important resource in this particular plan. Between the years of 1973 and 1981, when the third and fourth 5 year plans occurred for Daewoo; Korea's workforce was in high demand. The nation's competitive advantage began to dwindle due to increased competition from different nations. In response to this change, the government responded by concentrating its effort on electrical and mechanical engineering, military initiatives, shipbuilding, construction efforts and petrochemicals. Eventually, Daewoo was forced by the government into shipbuilding. Though Kim was hesitant to enter the trade, Daewoo quickly earned a reputation for producing reasonably priced oil rigs and ships. Over the next decade, the Korean government brought a lot more liberal economic policies by reducing positive discrimination, loosened the protectionist restrictions on imports, and supported small private companies. While encouraging free market trade, they were even able to force the chaebol to be a lot more aggressive abroad. Daewoo successfully established several joint projects along with European and American businesses. They expanded exports, semiconductor design and manufacturing, aerospace interests, machine tools, and several defense products under the S&T Daewoo Business. Daewoo ultimately started producing cheaper civilian airplanes and helicopters compared to counterparts in North America. Afterward the company expanded more of their efforts into the automotive industry. Remarkably, they became the 6th largest automobile manufacturer on the globe. During this time, Daewoo was able to have great success with reversing faltering businesses within Korea. All through the 80s and 90s, Daewoo moved into various sectors comprising consumer electronics, buildings, telecommunication products, computers and musical instruments like for instance the Daewoo Piano.