

S. Korea's LG Group heads for fourth generation succession

June 28 2018



Koo Kwang-mo is expected to eventually become the fourth generation of his family to lead LG

South Korea's LG Group on Friday welcomed the heir to its late patriarch as holding company board member, paving the way for yet another family transfer of corporate power in the country.

LG is the South's fourth-biggest conglomerate and perhaps best known internationally for its household appliances and consumer electronics, but among myriad other activities also has operations in chemicals, cosmetics, and Coca-Cola bottling.

Koo Kwang-mo, a senior executive at LG Electronics and the adopted son of late chairman Koo Bon-moo, who died in May aged 73, was appointed to the LG Corp. board at a general shareholders' meeting.

South Korean business is dominated by sprawling family-run empires known as chaebol that were instrumental in its rise to become the world's 11th-largest economy, aided by low-interest loans and close government connections.

But now they are criticised for stifling innovation and competition, while the controlling families are accused of running the firms like personal fiefdoms with minimal regulation by officials or oversight by shareholders.

Family feuds and criminal charges—often related to tax evasion or bribery—regularly make headlines.

Samsung scion Lee Jae-yong was jailed last year for his role in the corruption scandal that brought down ousted president Park Geun-hye, although most of his convictions were quashed on appeal.

Unusually, though, the Koo family have largely escaped scandal.

Koo Kwang-mo, 40, is expected to eventually become CEO of LG Corp,

Yonhap news agency reported, making him the fourth generation of his family to assume the reins.

He was born a nephew to his predecessor, but the elder Koo—who had fathered two daughters—adopted him in 2004 to ensure he had the status of the eldest son and preserved the direct male [family](#) line, an important consideration in a still often traditionalist society.

Ordinarily nephews are well down the inheritance order in South Korea, following children, parents and brothers.

© 2018 AFP

Citation: S. Korea's LG Group heads for fourth generation succession (2018, June 28) retrieved 16 June 2024 from <https://phys.org/news/2018-06-korea-lg-group-fourth-succession.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--