

Republic of Korea

Major Business Sectors

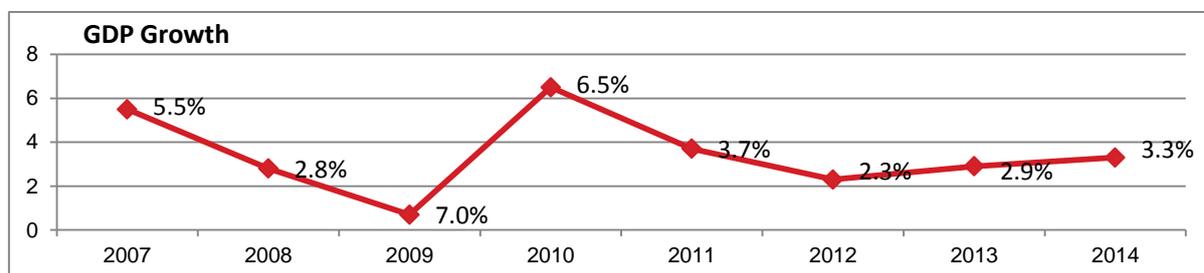
Compiled by: Swiss Business Hub Korea

Swiss Business Hub Korea

Seoul, April 2015

OVERVIEW AND TRENDS

Korea made an impressive economic performance after the global financial crisis with a growth in GDP of 6.3% in 2010. In the following years, the growth slowed down due to domestic factors and a weak global economy. Nevertheless the Korean economy still is on a growth path, with 3.3% in 2014 and expected 3.1% in 2015. The country ranks 13th in the world with a GDP of USD 1'419 billion and a GDP per capita of USD 28'100 (GDP PPP: USD 35'277).



Source: International Monetary Fund (IMF)

Korea is the 7th largest exporter (USD 559.6 billion) and the 9th largest importer (USD 515.6 billion) in the world. Already in 2011, the country became one of only a handful of nations to pass the USD 1 trillion threshold in total trade as Korean trade continued to expand an impressive rate despite continued troubles in the global economy. Korea has signed eleven Free Trade Agreements (Chile, Singapore, EFTA, ASEAN, India, EU, Peru, USA, Turkey, Australia and Canada) with a total of 49 countries as of April 2014. These markets account for more than 37% of the world population and for 73.2% of the global GDP. 62.4% of the Korean trade is covered through FTAs.

In 2014, 17 Korean companies were listed in the Fortune Global 500 magazine (top 500 industrial companies by sales). These large corporations have given the country a global leadership in key industries such as electronics, ship building, steel, petrochemicals and automobiles. By far the biggest Korean company is Samsung which consists of more than 80 affiliates, operating in various sectors. The global image of Korea was enhanced by successfully hosting the G20 Summit in 2010 at the COEX Exhibition Center in Seoul. Furthermore, the Nuclear Security Summit 2012, the World EXPO 2012 in Yeosu and the World Water Forum 2015 in Daegu further sharpened the country's international profile. In 2018 the Winter Olympics will be held in Pyeongchang.

Korea's major industries are briefly introduced below.

MACHINERY INDUSTRY

Sources: Korean Machine Tool Industry (KTMI) 2014-2015

The global machine tool market continued its sluggish performance in 2014 for the third consecutive year with production falling by 3.1% to USD 81.3 billion. Despite the lingering stagnation, Korean machine tool production scored a 9.3% increase last year, raising its global ranking from fifth in 2013 to fourth in 2014. The Korean machine tool industry has become one of the major players, being the seventh largest exporter as well as importer. Already in 2012, Korea passed Italy to become the world's fourth largest machine tool producing nation, trailing only China, Japan and Germany. Korea is also the fourth largest in terms of consumption and is expected to contribute substantially to reshaping the manufacturing world, pushing ahead with the drive to become a "first mover" from its previous development strategy of a "fast follower."

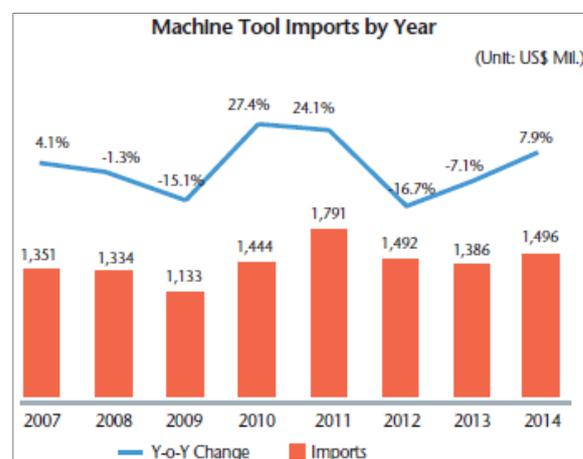
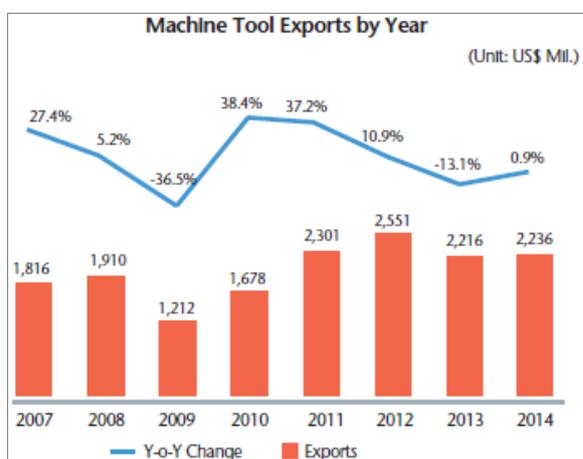
Machine tool orders received by Korean producers reached KRW 3.7 trillion in 2014, a slight decline of 0.3% from the previous year. Korean machine tool production in 2014 increased 9.3% year-on-year to KRW 6.16 trillion, despite a domestic facility investment slowdown affected by such factors as the aftermath of the Sewol ferry accident and delays in the development of new cars. In terms of orders by sector, automobile and automotive parts manufacturers increased orders by 9.9%, general machinery producers by 11.9%. The IT sector had increased its orders by 49.3% in 2013 and again by 10.3% in 2014.

Category	2012		2013		2014		
	Amount	Share	Amount	Share	Amount	Change	Share
Automobile	6,236	36.1	5,920	33.5	6,505	9.9	35.1
General Machinery	2,870	16.6	3,226	18.2	3,610	11.9	19.5
Metal Products	1,829	10.6	1,628	9.2	1,640	1.7	8.9
Steel/ Non-Ferrous Metals	1,539	8.9	1,272	7.2	1,149	-9.7	6.2
Electric/Electronics/IT	1,409	8.2	2,104	11.9	2,321	10.3	12.5
Shipbuilding/Aviation	819	4.7	1,048	5.9	967	-7.8	5.2
Precision Machinery	397	2.3	438	2.5	385	-12.0	2.1
Other	2,183	12.6	2,056	11.6	1,942	-5.6	5.3

Source: KOMMA
Note: Year-on-year change

Korean machine tool exports in 2014 grew only 0.9% year-on-year to USD 2.2 billion. Such low growth is attributed to comparatively significant declines in the Asian market (USD 1.02 billion, down 5.6%), including India and Thailand, as well as North American markets (USD 425 million, down 7.8%) due to the global economic slowdown, while Latin American (USD 107 million, up 14.8%) and European markets (USD 610 million, up 17.5%) maintained an upward trend.

Korea's imports of machine tools in 2014 increased 7.9% to USD 1.5 billion due to investment growth in automotive parts and aerospace parts processing facilities, continuation of the yen's depreciation, and rises in the import of second-hand machinery due to Japan's tax support for facility investment for increased productivity. By region, imports from Asia (USD 932 million, up 12.2%) and North America (USD 74 million, up 22.2%) increased while imports from Europe (USD 486 million, down 0.8%) decreased (imports from Germany decreased 7.9% to USD 253 million while imports from Switzerland and Italy increased 2.1% and 63.5% respectively to USD 104 million and USD 59 million).



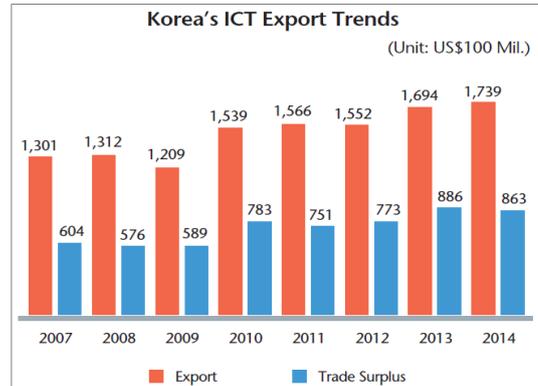
Source: Korea Customs Service, Korea Machine Tool Manufacturers' Association (KOMMA)

ICT INDUSTRY

Sources: Invest Korea ICT, KTMI 2014-2015

The global IT market is expected to record USD 3.7 trillion in 2013, increasing 3.8% compared to the previous year thanks to the slight recovery in the global economy. The hardware market is expected to see a strong performance due to the growth of mobile phones and tablet PCs, while software and IT services are also predicted to take off again. In particular, the rapid growth of wireless communications is expected to result in the expansion of the telecommunications market, which will grow by over 2% compared to the previous year.

Korea's domestic IT market for 2015 is expected to reach KRW 34 trillion. According to Forrester Research Korea, software will account for the largest share at KRW 10.3 trillion, followed by communication equipment at KRW 9.7 trillion. Forrester Research Korea predicted that the overall IT market will increase slightly year-on-year to a total of 35.3 trillion won in 2016. The IT market is expected to expand in the sectors of government, education & social services, healthcare and financing services.



Source: Ministry of Science, ICT and Future Planning

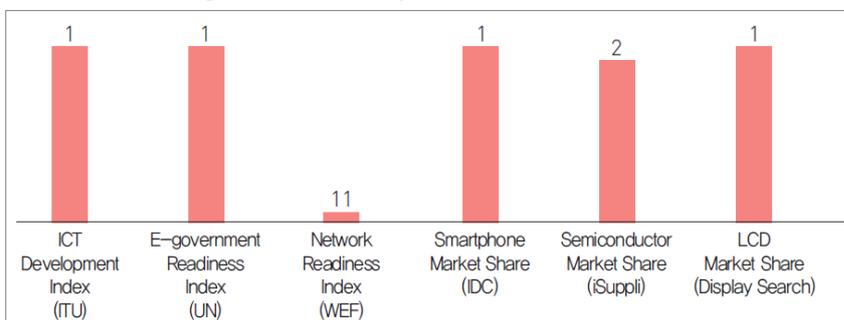
Korea to Invest 9 Trillion Won in ICT by 2020

The Ministry of Science, ICT and Future Planning (MSIP) announced plans to invest KRW 9 trillion (USD 8.1 billion) in the information communications technology industry by 2020. The new plan, dubbed the K-ICT Strategy, intends to elevate the nation's related production to 240 trillion won and exports to USD 210 billion over the next five years. Under the plan, the government will overhaul the nation's ICT industry as a whole; make a large-scale investment to expand ICT convergence services; identify new overseas sales channels; and nurture 17 projects in nine key areas.

Development of the domestic ICT industry has disproportionately focused on hardware due to the growth of mobile phones and tablet PCs, while software and IT services are also predicted to take off again. The government is mapping out policies to enhance software competitiveness and nurture talent.

Due to rapid changes in the IT environment, IT, NT, BT, CT and other forms of technology convergence are expected to trigger innovative social and economic transformation, including the rise of new industries. Changes in the IT environment, including contents, terminals and network digitalization, are expected to result in the development of digital convergence, such as ubiquitous services. The IT convergence combines IT with existing technologies or traditional industries to advance technologies and industries, and actively attracts foreign businesses for technology transfer and training skilled workers. In Korea, IT convergence with the automobile, machinery, construction, and energy industries is being rapidly developed while convergence with the domestic medical and robot industries is relatively weak. Therefore, investment promotion is focused on attracting more investors by linking the IT industry with other industries Korea is competitive in and supporting services related to R&D and expanding outsourcing for R&D, in accordance with shorter life spans of technologies and larger-scale investment projects.

Korea's Ranking in ICT Industry-related International Indexes

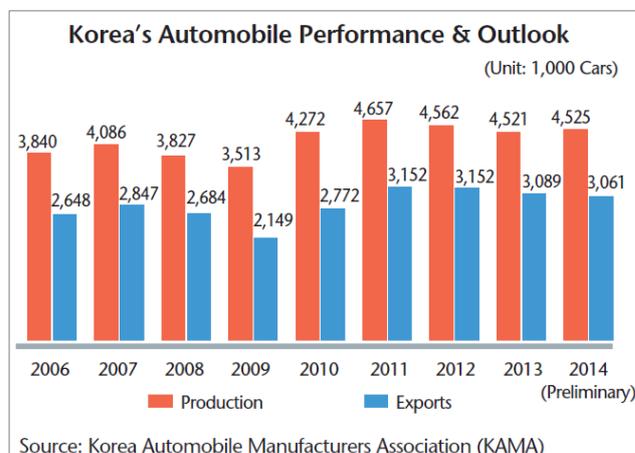


Source: ICT & Digital Content Industry Report, Seoul City Government

AUTOMOBILE INDUSTRY

Sources: Invest Korea Auto & Auto Parts, KTMI 2014-2015

In 2014, Korea's automotive industry ranked 5th globally, occupying a 5.3% share of global production, while its domestic market ranked 10th globally, at 1.41 million units, and its export sales ranked 4th globally, at 3.15 million units. The industry's exports achieved a record high



owing to an average export price rise following an increase in the export ratio of RVs (Recreational Vehicles), expansion of overseas production plants and export of parts to global enterprises. Despite the strong export results, the trade surplus decreased 3% year-on-year to US\$61.6 billion due to increases in the import of completed cars. Since its conversion to a surplus for the first time in 1984 (USD 10 million), however, the trade balance has continued to record annual surpluses for 31 consecutive years.

In 2015, the country's vehicle production and exports are expected to rise, thanks to continued growth in exports to North America, as well as a reduction in tariffs on cars, and high domestic demand for replacement of older vehicles. Estimated figures show that domestic sales of finished cars increased 8.2% in the first three months of 2015 thanks to restyling and strong sales of imported cars. Vehicle output and exports decreased 4.7% and 4.0% respectively in November 2014 from a year earlier due to market uncertainty in Eastern Europe and General Motors' withdrawal of its Chevrolet brand from Western Europe. Automotive parts sales fell 9.3% in November from a year earlier due to continued recession in emerging markets.

The local automotive parts industry recently achieved exponential development based on the growth of Hyundai-KIA Motors, experiencing a relatively less negative impact than that of other competing countries even though global demand for automobiles decreased due to the global financial crisis. This development is attributable to the growing demand for Korean automotive parts, as overseas carmakers have enhanced their global sourcing while the sales of local parts have increased steadily along with increased production and overseas investment by local carmakers. Nearly all of the world's top 10 automotive parts makers have invested in the local auto parts industry and maintain multiple subsidiaries in Korea.

Promising Items of the Auto Parts Industry

- Due to the cost-saving efforts of finished-car makers, parts companies have developed more modular items while securing opportunities for global sourcing. They have also strengthened their technological development of electric or electronic and future-oriented car parts because of the diversification of consumer needs and the strengthening of regulations on environment and safety.
- Local car makers have switched their procurement policy to having their core modules developed by vendors. Modular parts and components are believed to be promising.
- Foreign manufacturers have occupied a large share of the Korean market for ECU motors and sensors. Hyundai Motor is focusing on the development of car ICs.
- Environmentally friendly cars that remain in their initial market stage are being developed with a focus on finished cars, including the launch of hybrid cars. However, as the projected switch to environmentally friendly cars will change the paradigm of the auto industry, parts makers are also actively responding to the trend.

SHIPBUILDING

Sources: Korea Offshore & Shipbuilding Association, KTMI 2014-2015

Global shipbuilding order volume increased 92.5% to 48.7 million CGT in 2013, domestic shipyards won 13.69 million CGT of new orders in the year, up 90.9% from 2012. In terms of tonnage, Korean orders accounted for 33% of the global total, second only to China with 40.9%. The total value of Korean shipbuilders recorded USD 41 billion, followed by Chinese shipbuilders at USD 32.7 billion.

In contrast to the order volume, global ship completions decreased from 46.8 million CGT in 2012 to 36.6 million CGT in 2013. The orderbook of shipyards around the world rose to 103.9 million CGT in 2013 from 98.2 million CGT in the previous year. Korea accounted for 34.2% and 30.8%, respectively, which trailed China's comparable figures of 35.2% and 38.5%. Japan's share of completions and orderbook was 18.6% and 15.4%, respectively.

Korea's receipt of orders for major merchant ship (bulk carriers, containerships and tankers) and offshore sectors in 2014 was sluggish. However, orders for high value-added ship types, such as LNG carriers and LPG carriers, increased. Meanwhile, the world's newbuilding orders for drillships, most of which Korean shipyards usually win, declined significantly in 2014 compared with the previous year.

In 2014, Korea's domestic shipbuilding volume reached about 12 million CGT (26 DWT), down 3.7% from a year earlier. It appeared that amid a 6.8% year-on-year decline in the global total shipbuilding volume, Korea's shipbuilding volume also fell due to a decrease in reception of orders and delays in delivery schedules.

By ship type in 2014, the building ratio of containerships was highest at 37.2%, followed by tankers at 32.8% and bulk carriers at 11%. As for high value-added LNG carriers, Korea built 24 ships in 2014, an increase of 9% over 2013. Korea's ship exports in 2014 grew 7.3% year-on-year to about US\$39.9 billion owing to increases in the delivery of high value-added ships, drillships, LNG carriers, etc.

The ratio of the shipbuilding industry among Korea's total exports fell below 10% for the third straight year due to a decrease in export unit prices. Nevertheless, as one of Korea's five major export sectors, the industry still plays a locomotive role in the development of the national economy.

The Korean shipbuilding industry has a high localization rate for equipment and materials at about 90%. One of the industry's features is that payment is made in U.S. dollars, so its foreign exchange earning rate is high and its contribution to the national trade surplus is significant as well. In terms of trade balance in 2014, the shipbuilding industry recorded a USD 35.9 billion trade surplus, the second highest sector following automobiles.

Category	2013			2014		
	No. of Ships	1,000 DWT	Ratio (%)	No. of Ships	1,000 DWT	Ratio (%)
Bulk Carriers	55	5,447	16.3	23	2,868	11
Containerships	112	10,765	32.3	75	9,716	37.2
Tankers	110	10,901	32.7	117	85,588	32.8
LNG Carriers	15	1,265	3.8	24	2,078	8
LPG Carriers	20	684	2.1	14	549	2.1
Drillship	11	613	1.8	21	1,051	4
FPSOs	1	214	0.6	1	125	0.5
FSRUs	-	-	-	1	83	0.3
Others			10.3			4.2
Total	387	33,323	100	328	26,116	100

Source: Korea Offshore & Shipbuilding Association

Korea's Major Shipbuilding Companies

- 
Hyundai Heavy Industries Co., Ltd.
<http://english.hhi.co.kr>
- 
Samsung Heavy Industries Co., Ltd.
www.shi.samsung.co.kr/eng
- 
Daewoo Shipbuilding & Marine Engineering Co., Ltd.
www.dsme.co.kr
- 
STX Offshore & Shipbuilding Co., Ltd.
www.stxship.co.kr
- 
SPP Shipbuilding Co., Ltd.
<http://eng.sppship.co.kr>

BIOPHARMACEUTICAL INDUSTRY

Sources: Invest Korea Biopharmaceutical

Korea has been promoting various policies to develop the BT industry since it enacted the “Biotechnology Support Act” in 1983. The government selected the bio industry as a new growth engine and has improved institutions and come up with support measures (BIO-Vision 2016). In 2012, the Korean government invested 2.58 trillion won, or 19% of its total R&D budget, in the bio sector.

Korea’s production of pharmaceuticals increased by 0.75% to KRW 15.7 trillion in 2012; exports increased by 19.5% to KRW 2.3 trillion and imports by 5.9% to KRW 5.85 trillion. The total market size amounts to KRW 19.2 trillion with an average annual growth rate of 2.8% over the past five years.

Local market size of pharmaceuticals

[Unit: Trillion won]

Pharmaceuticals	Production (Trillion won)	Exports		Imports		Market Size (Trillion won)
		Trillion won	USD 100 million	Trillion won	USD 100 million	
2008	13.89	1.27	11.48	4.56	4.13	17.19
2009	14.79	1.79	14.00	5.22	4.09	18.22
2010	15.71	1.78	15.40	5.42	4.69	19.35
2012	15.71	2.34	20.78	5.85	5.20	19.23
Increase ratio over preceding year	0.75%	19.52%	17.53%	5.91%	4.15%	0.32%

Source: Yearbook of Food & Drug Statistics, KFDA (2013), InvestKorea

Prospects of Korean Pharmaceutical Market

As one of the most rapidly aging societies, Korea has the potential to become an R&D center for the advanced treatment of intractable diseases, including cancers. Korea will play a leading role in advanced medical services and the global pharmaceutical industry through its healthcare system with the help of large hospitals and convergence technologies such as BIT and BNT.

Recently, the demand for personalized medicines and medicines using tissues or stem cells (regenerative medicines) has been on the rise. In particular, Korea is at an advantage in stem cell research as its bioventures Medipost and Pharmicell have developed stem cell treatment using cord blood. The application of bio-technologies is rapidly expanding to relevant industries such as biochemistry, bioassay, bioinformatics, and bioenergy.

Korea’s Competitiveness

Korea has the ethical work environment and IPR system necessary for cutting-edge technology research. Korea can also tap into the rapidly growing Asian market and its stable natural environment.

The number of clinical trials conducted in Korea for the development of new drugs increased 33% to 670 in 2012, due to an increase in the number of research-oriented universities and clinical experts and Korea’s reputation as one of the best locations for global clinical trials especially for its patient management and other medical systems.

Korea’s capability to conduct clinical trials developed as the number of global clinical trials increased rapidly from only five in 2000, when multinational clinical trials were allowed for the first time, to 303 in 2012, increasing exponentially by sixty times in only ten years. An analysis of global clinical trials registered on a formal website shows that Korea was ranked 6th globally in 2012, 4th in terms of the number of clinical trials conducted in a single country and 15th in terms of the number of multinational clinical trials. In particular, Seoul has emerged as the world’s No. 1 clinical trial city and has become a clinical trial hub in Asia.

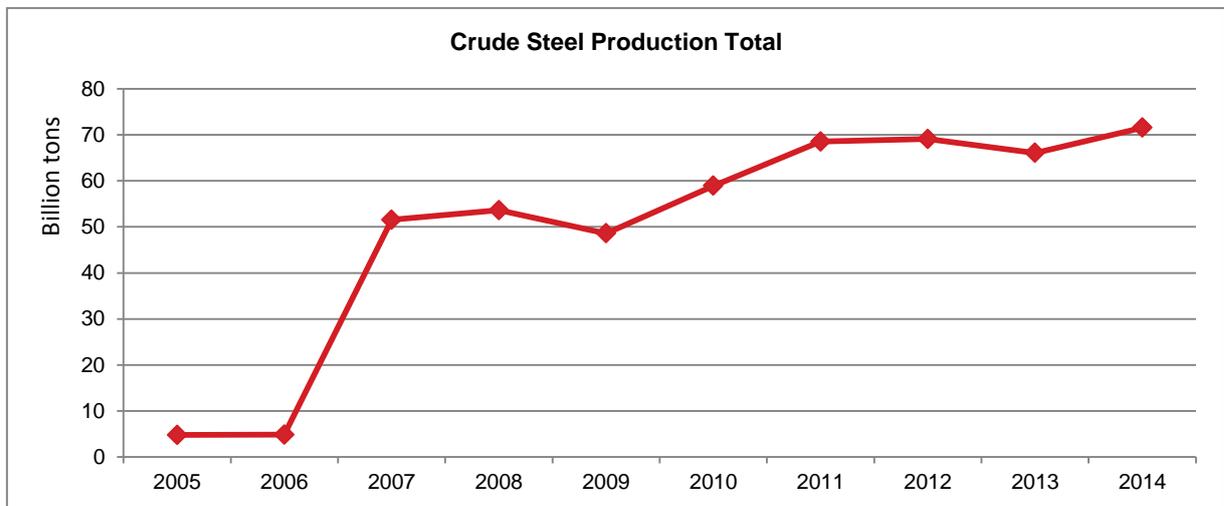
STEEL INDUSTRY

Sources: Korea Iron & Steel Association, Korean Machine Tool Industry (KTMI) 2014-2015

Korea's steel industry is one of the country's most successful industries with high impact on the other industries. It has played a crucial role in the economic growth of Korea by steadily providing materials to demand industries such as automobile, shipbuilding and construction and is a symbol of Korea's industrial power.

Since the establishment of POSCO in 1973 with the crude steel production of a hundred million tons, which gave Korea a world market share of 0.1%, Korea has now become the world's 5th largest steel producing country. Besides POSCO there are three other major players in the Korean market, namely Dongbu Steel Co., Ltd., Hyundai Steel Co., Ltd. and Dongkuk Steel Co., Ltd.

Korea's crude steel production reached 71 million tons in 2014, a 7.5% increase over the previous year.



Source: Korea Iron & Steel Association

The global market share of Korean steel companies was 4.3% in 2014, a 0.3% increase year-on-year. China accounted for the largest share, with 49.5% in 2014, even though its market share decreased by 0.2% from the previous year. Apart from others (11.1%) and the EU (10.2%), Japan accounted for 6.7% of the global market share in 2014. It was followed by the United States (5.3%), India (5.0%), Korea (4.3%), Russia (4.3%) and the Ukraine (1.6%).

Despite the statistical rally last year, the Korean steel industry sees rough sailing ahead in 2015, challenged by a global steel glut largely stemming from the scaling down of China's growth and low-price offensives around the world.

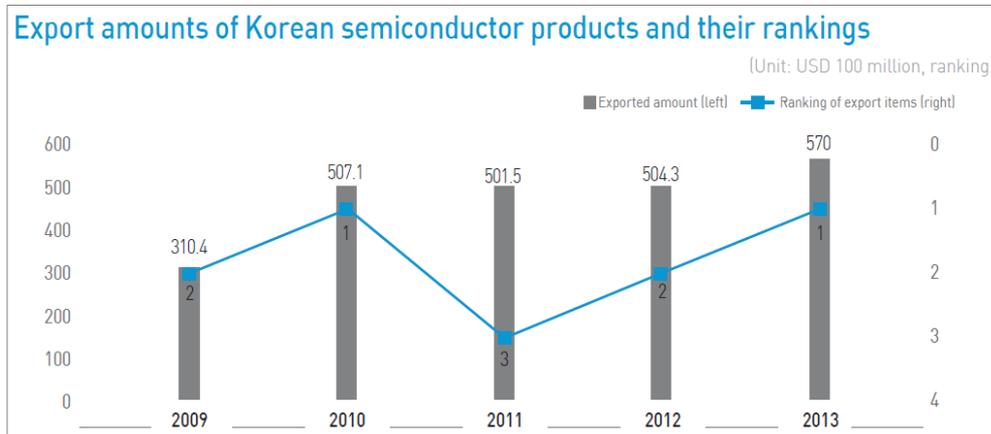
In fact, Korea's crude steel production tumbled to the lowest level in 18 months in February 2015 amid low demand and low-priced products from China. According to data of the World Steel Association, Korea produced 5.1 million tons of crude in the month, down 4.4% year-on-year.

In the past, Korean steel industry had pursued profit maximization through the mass production of crude steel. Since China entered the industry in 2000, the increase in production has slowed down, which shifted Korean steel makers' efforts towards strengthening the competitiveness, developing premium steel products and introducing tailored customer-service solutions.

SEMICONDUCTOR INDUSTRY

Sources: Invest Korea Semiconductors, Korea Semiconductor Industry Association

In 2013, exports of Korean semiconductor products reached a record high of USD 57 billion, recapturing their position as the country's No. 1 export item after a three-year hiatus. Analyzed by category, the export of memory semiconductors, in which Korean fabless companies have maintained an advantage over competing countries, increased by 30% over the preceding year to USD 25.2 billion, while the export of system semiconductors increased by 2%, to USD 25.1 billion.



The domestic semiconductor industry consists of various companies, ranging from designing, devices, and assembly to equipment and materials. In terms of revenues, most device companies are large, while assembly, equipment, materials, and designing companies are usually SMEs. Korea is the world's No. 1 producer of memories even though its semiconductor industry is ranked No. 2 globally. Korea supplied 15.8% of the entire global semiconductor market in 2013.

Rapid Expansion of Semiconductor Application Markets

Technological advances in semiconductors not only create new products or services, but also affect social systems and lifestyles. This means the semiconductor industry provides opportunities for boundless development. Based on innovation in convergence technologies, rapid growth is seen in power semiconductors, energy-related semiconductors including low-power semiconductors, and convergence products with new items such as green cars, medical devices, or robots.

There is a trend whereby 3D technology is being introduced into D-RAM post-processing, unlike 3D technologies, which have been applied in the pre-processing of system semiconductors and NAND flashes. The semiconductor industry will rapidly emerge as a promising investment area once businesses enter the local market for semiconductor equipment related to post-processing or collaborate with equipment manufacturers that possess the core technologies. The system semiconductor industry is expected to see the active development of technologies for smaller products such as MCP and SiP and smaller chips due to the expansion of smart device markets. In particular, because of the diversification of application products, suppliers should be more focused on the early domination of the market through product support and customer support.

Strengths and Opportunities of Korea's Semiconductor Industry

Korea is leader of the global memory market and has the strongest cost and price competitiveness in the world, which is why world-class companies including Samsung Electronics, LG Electronics and Hyundai Motor Company use the domestic semiconductor technologies. The Korean government is determined to nurture it as a key strategic industry.

The Korean semiconductor industry is the test-bed for cutting-edge products based on world-class IT infrastructure. There are many application industries with large growth potential including mobile, DTV and green cars. The country has several semiconductor clusters, accommodating global companies including Samsung Electronics and SK Hynix.

NEW AND RENEWABLE ENERGY

Sources: Invest Korea, New and Renewable Energy, Korea New & Renewable Energy Association

Korea is the 10th biggest consumer of energy in the world and is highly dependent on imported energy, having imported 96.4% of all energy sources used for heat and power generation in 2011. Due to energy security considerations and because of a strengthening environmental awareness, the government has been fostering this sector since the 1990s. In the past, Korea imported close to 100% of all relevant machinery and products. Today, the Korean industry is in some segments, especially solar energy and increasingly also wind power, able to provide the complete value chain.

The amount of government support for technology development, supplementary projects for dissemination, feed-in tariff, and dissemination loans increased more than eight fold from KRW 118 billion in 2003 to KRW 956.1 billion in 2012. Taking into consideration the revised supplementary budget bill of 2011, Korea's budget for renewable energy is estimated to reach KRW 1 trillion.

In 2012, a total of 8.9 million TOE (tonne of oil equivalent) of new and renewable energy was produced in Korea. Waste energy, which, according to Korean definition is also a "green energy", made up a large part of total production, followed by bio, hydro, photovoltaic, and wind energy. The Korean government, according to the 2014 "Second Energy Basic Plan", plans to increase the share of renewables in energy production from 0.7% (according to OECD data, 2011) to 11% in 2035. This value had however already been pinpointed for 2030 within the previous government's "First Energy Basic Plan" (2008). This in fact means a further delay in renewable energy dissemination in Korea.

Total sales (domestic and abroad) of renewables reached a peak in 2011 with KRW 9.357 trillion. They however declined to KRW 6.467 trillion in 2012, of which photovoltaics accounted for 65%, wind energy for 20%, and bioenergy for 13% (Korea Energy Management Corporation - KEMCO).

According to the Second Basic Plan, stronger focus will be placed on a number of energy sources within the renewables-group: photovoltaics (14%, up from 4% of total renewable energy production) and wind energy (18%, up from 13%) will account for larger shares within Korea's future renewable portfolio than previously planned. The planned share of bioenergy was readjusted from 31% to 18%.

The use of solar energy has remained almost unchanged, while the distribution of PV energy has jumped rapidly. Bio-energy is seeing slow growth, while the supply of waste energy has stopped growing, with its share falling gradually. The amount of energy generated from hydro power plants remains unchanged and its share in the entire energy mix is decreasing. The amount of electricity from wind power generation and its generation capacity are rising dramatically, and its share is also on the rise. Geothermal energy and fuel cells are showing steady increases.

Distribution of Renewable Energy in Korea

	Solar	PV	Bio	Waste	Hydro	Wind	Geo-thermal	Fuel cell	Marine	Total
2005	34.7	3.6	181.3	3,705.5	918.5	32.5	2.6	0.5		4,879.2
2006	33.0	7.8	274.5	3,975.3	867.1	59.7	6.2	1.7		5,225.3
2007	29.4	15.3	370.2	4,319.3	780.9	80.8	11.1	1.8		5,608.8
(%)	0.5	0.3	6.6	77.0	13.9	1.4	0.2	0.0		100.0
2008	28.0	61.1	426.8	4,568.6	660.1	93.7	15.7	4.4		5,858.5
(%)	0.5	1.0	7.3	78.0	11.3	1.6	0.3	0.1		100.0
2009	30.7	121.7	580.4	4,558.1	606.6	147.4	22.1	19.2		6,086.2
(%)	0.5	2.0	9.5	74.9	10.0	2.4	0.4	0.3		100.0
2010	29.3	166.2	754.6	4,862.3	792.3	175.6	33.4	42.3	0.2	6,856.3
(%)	0.4	2.4	11.0	70.9	11.6	2.6	0.5	0.6	0.0	100.0
2011	27.4	197.2	963.4	5,121.5	965.4	185.5	47.8	63.4	11.2	7,582.8
(%)	0.4	2.6	12.7	67.5	12.7	2.4	0.6	0.8	0.1	100.0
2012	26.3	237.5	1,334.7	5,998.5	814.9	192.7	65.3	82.5	98.3	8,850.7
(%)	0.3	2.7	15.1	67.8	9.2	2.2	0.7	0.9	1.1	100.0

Note: Hydro includes large hydro power generation (since 2003)

Source: InvestKorea

KOREAN IMPORTS

Period: January ~ December 2014

BUSINESS SECTOR	% OF IMPORTS	CHANGE FROM PVIOUS YEAR	VALUE IN USD M	MAIN COUNTRIES OF ORIGIN
Petroleum, Coal	33.4 %	-2.7 %	175,612	Saudi Arabia 20%, Qatar 14%,
Electric devices	14.3 %	3.9 %	75,080	China 38%, Taiwan 14%, Japan 11%
Machinery, Hardware	9.3 %	2.9 %	48,809	China 21%, Japan 18%, USA 17%
Steel	4.2 %	7.8 %	21,956	China 40%, Japan 32%,Russia 4%
Optical Instruments	3.4 %	3.7 %	17,869	Japan 23%, China 23%, USA 18%
Ore	3.2 %	0.8 %	16,756	Australia 42%, Brazil 13%, Chile 11%
Organic compounds	2.7 %	-0.5 %	14,307	Japan 31%, China 19%, USA 10%
Vehicles	2.5 %	27.0 %	13,314	Germany 44%,Japan 13%, China 11%
Plastic	2.5 %	0.8 %	10,703	Japan 35%, China 19%, USA 14%
Steel products	1.7 %	4.6 %	8,904	China 40%, Japan 14%, USA 12%

Source: Korea Customs Services (www.customs.go.kr)

KOREAN EXPORTS

Period: January ~ October 2014

BUSINESS SECTOR	% OF EXPORTS	CHANGE FROM PVIOUS YEAR	VALUE IN USD M	MAIN DESTINATION COUNTRIES
Electric devices	24.1 %	2.0 %	138,212	China 37%, Hong Kong 12%, USA 9%
Vehicles	12.8 %	0.8 %	73,345	USA 29%, China 10%, Russia 5%
Machinery, PCs	11.0 %	6.3 %	63,040	China 23%, USA 19%, Japan 5%
Petroleum, Coal	9.1 %	-3.2 %	52,384	Singapore 20%, China 15%, Japan 13%
Vessels	6.7 %	6.8 %	38,338	Marshall Islands 21%, Singapore 14%
Optical instruments	6.3 %	-0.1 %	35,901	China 57%, Mexico 6%, Slovakia 4%
Plastic	5.6 %	2.1 %	31,825	China 33%, USA 6.3%, Vietnam 5.4%
Organic compounds	4.2 %	-2.1 %	24,330	China 56%, USA 7%, Taiwan 7%
Steel	4.2 %	7.5 %	23,943	China 16%, Japan 12%, USA 10%
Steel products	2.2 %	13.2 %	12,655	USA 29%, Japan 9%, China 8%

Source: Korea Customs Services (www.customs.go.kr)

FURTHER INFORMATION AND LINKS

KOMMA (Korea Machine Tool Manufacturer's Association) – www.komma.or.kr

KCC (Korea Communications Commission) – www.kcc.go.kr

NIPA (National IT Industry Promotion Agency) – www.nipa.kr

KAMA (Korea Automobile Manufacturers Association) – www.kama.or.kr

KOSHIPA (Korea Offshore & Shipbuilding Association) – www.koshipa.or.kr

KPMA (Korea Pharmaceutical Manufacturers Association) – www.kpma.or.kr

Korea Bio (Korea Biotechnology Industry Organization) – www.koreabio.org

KOSA (Korea Iron & Steel Association) – www.kosa.or.kr

KSIA (Korea Semiconductor Industry Association) – www.ksia.or.kr

KNREA (Korea New & Renewable Energy Association) – www.knrea.or.kr

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