The South Korean economy is maintaining its current recovery pace on the back of strong overseas sales, although there are some downside risks, such as North Korea’s provocations and ongoing trade issues, according to a government report.

“The South Korean economy is keeping its recovery pace, aided by robust exports in line with the improving global economy,” the finance ministry said in its monthly economy assessment report. “For the time being, its recovery pace is expected to continue going forward,” it said.

Production in the South Korean biotechnology sector increased 4.4 percent last year compared with the previous year, as medical equipment and services enjoyed greater demand abroad.

A total of 980 biotechnology healthcare companies produced biotech-based products and services worth KRW 8.87 trillion (USD 8.16 billion) in 2016, up 4.4 percent from a year earlier, according to the data compiled by the Ministry of Trade, Industry and Energy (MOTIE).

The data was based on a survey on 980 companies by the Korea Biotechnology Industry Organization and Seoul-based Hankook Research.

The ministry said medical equipment and biotech services were the best performing sectors, as local companies stepped up marketing efforts abroad.

Exports of biotech-based products came in at KRW 4.45 trillion (USD 4.07 billion) and imports amounted to KRW 1.46 trillion last year, making a trade surplus of KRW 2.98 trillion.

On Dec. 11, the government said that it will expand a second startup complex near Seoul in a bid to further boost promising local startups and attract foreign companies.

The "2nd Techno Valley" in Pangyo, just south of Seoul, is designed to nurture some 1,400 startups, offering workspace and consulting services for funding at cheap prices, according to the finance ministry.

Pangyo—South Korea’s answer to Silicon Valley in the U.S.—is already home to many technology companies.

First launched in 2011, the country’s 661,000-square-meter startups complex supported 70,577 employees in 2015.

The second Pangyo Techno Valley will nestle on a 440,000-square-meter lot with its construction to be finished by 2022.

The government wants the new startups complex to create new value and jobs through innovation, instead of having employees competing against each other over existing jobs.

The number of companies operating at Pangyo Techno Valley reached 1,121 as of the end of 2015, up 119 firms or 11.9 percent on-year.