



KOREA AND ITALY: TRADE & INVESTMENT STATUS

Paola Bellusci, trade commissioner of the Italian Trade Agency's Seoul office, said during her interview that Korea has proven itself to be an ideal market for Italian companies thanks to its size and maturity. So exactly how active are these two countries in terms of trade and investment? Read on to find out.

01 Korea's Trade with Italy

Italy is Korea's 28th largest export destination, and 17th largest source of imports. The two countries' bilateral trade volume steadily increased from USD 8.09 billion in 2012, USD 8.51 billion in 2013 to USD 9.73 billion in 2014, thanks in part to economic recovery after the recession in Southern Europe. However, the figure started to decline in 2015 to USD 9.36 billion and recorded USD 8.58 billion as of 2016.



Export

In 2016, Korea's major export items to Italy included automobile and raw materials such as synthetic resin and steel products. To address trade deficit with Italy, Korea needs to diversify its export portfolio to include high value-added products.



Import

As of 2016, four out of the top 10 importing items from Italy were related to the fashion industry, and their import value continues to rise. Industrial products such as electric generators and valves are also among the list. The imports of automobiles have been on an upward trajectory since they increased significantly in 2015. Cast iron was another raw material that saw a remarkable growth in imports.

02 Korea's Investment to Italy

The amount of Korea's investment in Italy is relatively low, compared to its trade volume. In 2016, Korean companies made 13 investment pledges worth USD 12.36 million, and nine investment projects worth USD 9 million were actually implemented.

Currently, most Korean businesses enter the Italy market by establishing corporations and regional branches in the apparel, trading, automobile and electronics sectors. Since Expo Milano 2015, investments have been made in a broader range of industries to include facility management, business services and technical services.



03 Italy's Investment to Korea

Italy's investment in Korea amounted to about USD 30 million in 2015 and USD 41 million in 2016. Korea accounts for 0.43 percent of the number of FDI pledges that Italy has made and 0.29 percent in terms of total amount.

