

S.KOREA'S CHIP EXPORTS FORECAST TO CONTINUE STRONG GROWTH IN 2018:REPORT

South Korean chip exports are expected to continue to post solid growth this year, though its pace may slow down from last year's exponential expansion.

The Korea Institute for Industrial Economics & Trade (KIET) forecast the country's exports will increase 18.6 percent in 2018, lower than the 60.2 percent posted last year.

In 2017, USD 99.68 billion worth of chips were exported, marking the first time

for a single item to surpass the USD 90 billion mark in exports in one year.

Samsung Electronics Co. and SK hynix Inc. have been enjoying sharp increases in their chip earnings due to the global boom in the industry.

"This year's increase rate is expected to slow down as last year's tally was extraordinarily high, but it will still be very high compared to other years," the report said.

FISHERY PRODUCT EXPORTS JUMP 51 PCT IN JANUARY

South Korea's exports of fishery products soared by more than 50 percent in January from a year earlier on strong demand for dried laver and tuna.

Shipments of fishery goods came to USD 201 million last month, 50.8 percent higher than the USD 130 million tallied a year earlier, the Ministry of Oceans and Fisheries said in a statement.

The latest tally marks the second highest for any January figure since USD 210 million reported for the first month of 2013, according to the ministry.

Seafood exports to the United States surged

55.5 percent on-year to USD 26 million, with shipments to Japan and China rising 14.2 percent and 125.4 percent, respectively, to USD 54 million and USD 33 million.

By products, exports of tuna gained 70 percent on-year to USD 59 million last month. Outbound shipments of dried laver, called "gim" in Korean, came to USD 37 million, an increase of 42.1 percent from a year earlier.

Gim is usually roasted with sesame oil and fine salt. It is served as side dish. Snacks made with laver have been gaining popularity among foreigners in recent years.

Government & Policy

S.KOREA TO INVEST 35 TLN WON IN FUTURE VEHICLES IN NEXT 5 YEARS

South Korea will invest KRW 35 trillion (USD 32.4 billion) in developing electric, autonomous and other future vehicles by 2022 to secure a new growth engine in the rapidly changing automobile market, the transport ministry said on Feb 2.

In a seminar with some 50 auto experts from businesses, research institutes and colleges, the Ministry of Trade, Industry and Energy and the Ministry of Land, Infrastructure and Transport outlined the government's plan to develop future vehicles and set up the "smart transportation system" to back up autonomous vehicles, respectively, the transport ministry said in a statement.

In its broad efforts to open an "era of electric vehicles," the government will part-

ner with businesses, such as Hyundai Motor Group, to develop an all-electric car that can travel more than 500 kilometers on a single charge and increase the number of rapid charging stations to 10,000, similar to the number of the nation's gas stations of 12,000, by 2022.

The government said it will continue to offer subsidies to those who purchase an electric vehicle due to their high prices by 2022.

In efforts to promote driverless car technologies, the government will build K-City, a world-class test bed for autonomous technologies, this year. The 320,000-square-meter city is composed of a highway, downtown, outskirts, parking facilities and residential communities, the statement said.

GOV'T PUSHES FOR DEREGULATION, HIGHER SERVICES R&D SPENDING

The government said on Feb. 7 that it will seek drastic deregulation and greater spending on research and development (R&D) to raise service sector competitiveness and find a new growth engine.

The nation's service sector needs to be transformed through innovative growth driven by policy backup, thus creating more quality jobs, the finance ministry said.

South Korea's R&D investment in the service industry accounted for only 8.6 percent of the total spending in 2016, compared to Germany with 13.2 percent in 2013 and Japan with 12.4 percent in 2014.

According to the finance ministry, the

government has earmarked KRW 773 billion (USD 716 million) in R&D for government service this year, and the figure will rise to KRW 5 trillion over the next five years.

The ministry said the increased service sector R&D spending is expected help private firms mark up their services R&D spending as well.

The ministry said the government will also give higher tax rewards and R&D incentives to the service sector in an effort to transform the nation's manufacturing-oriented economy.