

Trade News

S. KOREA'S PETROCHEMICAL EXPORTS REACH ALL-TIME HIGH IN 2017

According to government data, exports of refined oil and petrochemical products by South Korean refiners hit a record high last year due to strong demand and higher oil prices.

Data compiled by the Ministry of Trade, Industry and Energy indicated that outbound shipments by companies such as SK Innovation Co., GS-Caltex Co., S-Oil Corp. and Hyundai Oilbank Co. reached 509 million barrels in 2017, up 4.4 percent from the previous year.

Last year, the amount of South Korean exports jumped 32.4 percent on-year to

USD 35 billion, rising for the fourth consecutive year.

Sales of diesel soared 37.7 percent to 35.4 million barrels last year on sharp demand for ship fuel from Taiwan. Crude oil imports rose 3.7 percent on-year to 1.12 billion barrels in 2017, surpassing the previous all-time high. Inbound shipments of U.S. crude rose an astounding 448.2 percent to 13.43 million barrels. Imports of Kazakhstan crude also skyrocketed 516.3 percent to 26.5 million barrels last year as production began in Kashagan oil field in September 2016.

ASEAN NO.2 AGRO-LIVESTOCK EXPORT MARKET FOR S. KOREA

The Association of Southeast Asian Nations (ASEAN) became the second largest export market for South Korean agricultural and livestock products in 2017 as the nation's trade with China was affected by a diplomatic row. Last year, Chinese authorities implemented stricter quarantine measures and regulations on Korean products amid strained diplomatic ties over Seoul's deployment of THAAD, an American missile defense system. It was the first time that ASEAN ranked above China in terms of agro-livestock shipments.

According to the Korea Rural Economic Institute, South Korea export-

ed USD 1.22 billion worth of agricultural and livestock products to ten ASEAN member states last year, up 9.9 percent from a year earlier. Strawberries, wheat, grapes, fresh ginseng and chicken were the main export items to the economic bloc.

Meanwhile, Japan was South Korea's biggest agro-livestock export market with USD 1.36 billion worth of shipments, while China came third at USD 1.1 billion.

The total exports of South Korean agriculture and livestock products gained 7.1 percent on-year to USD 7.15 million last year.

Government & Policy

S. KOREAN GOV'T TO FURTHER BOOST RAIL TRANSPORT

Over the next three years, the Korean government is seeking to invest more in the rail transport sector to help it take up a greater share of the nation's freight transport, according to the transportation ministry.

It also plans to introduce flexible freight rates to bolster the sector's competitive edge and is considering building a railroad logistics hub in Seoul to brace for a possible reunification of the two Koreas.

The rail transport development plan was finalized and unveiled by the

Ministry of Land, Infrastructure and Transportation, calling for raising the portion of the railroad network to the nation's freight transport from the current five percent to 10 percent in 2021. According to the plan, the government will adopt a system of flexible freight rates in a bid to boost its competitive edge and offer a range of discounts to attract more cargo.

The government will also take a variety of measures to further develop the railroad logistics sector, including attracting more private investment.

FINANCE MINISTER PLEDGES TO CREATE MORE JOBS

South Korea's chief economic policymaker said that the government will mobilize all of its tools to create more quality jobs, and vowed to provide full support for local companies as well.

In his speech, Finance Minister Kim Dong-yeon said "All policy tools, including budget and taxation, will be implemented to create jobs." The minister added that policy measures will be redesigned to create jobs for the youth, while the government will help local

companies in hiring more employees.

In January, President Moon Jae-in called for an all-out effort to create new quality jobs for young people, referring to the nation's high youth unemployment rate as a national disaster. Creating quality jobs, especially for the young, was one of Moon's key policy pledges put forth during the presidential elections. He has promised to add 810,000 new jobs in the public sector during his five-year term, which ends in May 2022.