

## Trade News

## S. KOREA BECOMES FIFTH-LARGEST COSMETICS EXPORTER TO EUROPE

Last year, South Korea became the fifth-largest exporter of cosmetics to Europe supported by natural ingredients and cost effectiveness.

According to the Brussels office of the Korea International Trade Association (KITA), South Korea surpassed Japan in taking fifth place through its EUR 135.79 million (USD 159.15 million) worth of cosmetic exports in 2017. The total marks a twelve-fold jump from EUR 11.33 million in 2010 and a 46.8 percent increase

from 2016.

Meanwhile, the U.S. was the largest exporter with EUR 1.21 billion, followed by China EUR (638.4 million), Switzerland EUR (574.1 million) and Canada EUR (136.99 million).

On top of being cost-effective, KITA said K-beauty products appeal to European consumers through its natural ingredients, such as ginseng, aloe and green tea, complementing the growing preference for a vegan lifestyle.

## S. KOREAN EXPORTS RISE 2 PCT IN EARLY JUNE

On the back of brisk sales of chips and autos, South Korea's exports jumped 2 percent on-year during the first 10 days of June, according to the Korea Customs Service.

Based on the data, outbound shipments reached USD 12.4 billion in the June 1-10 period, and daily average exports grew 19 percent on-year to USD 2.06 billion compared to the previous year.

By product, outbound shipments of semiconductors rose 28.9 percent, while

those of autos climbed 41.4 percent. Exports of petrochemical goods surged 43.5 percent.

Exports to China, the U.S. and the European Union increased by 22.7 percent, 4.8 percent and 18.1 percent on-year, respectively.

Last month, South Korea's exports spiked 13.5 percent from a year earlier, rebounding from a brief dip the previous month, due to a rise in prices of key products and a global boom in the IT sector.

## Government and Policy

## GOV'T SEEKS DRASTIC DEREGULATION FOR INNOVATIVE GROWTH

With innovative growth as one of the key economic goals sought after by President Moon Jae-in, the government will pursue drastic deregulation and offer support to foster such growth.

Under a set of support measures, the government will provide funding and other incentives for eight key sectors including smart cities and farms, financial technology, drones, electric vehicles and artificial intelligence.

In a ministerial meeting, Finance Minister Kim Dong-yeon stressed the Korean economy's need for momentum to mount

a sustainable growth going forward. In that context, he said innovative growth is crucial and that "The government will accelerate its move toward easing regulations to achieve innovative growth."

Earlier, the government also said it would focus on increasing financial support for new enterprises and creating a venture-friendly environment. The minister added that the government is aiming to help create over 100,000 startups this year through fiscal support and investment funds.

## SEOUL TO EASE REGULATIONS FOR CROWDFUNDING

The South Korean government plans to soften rules for crowdfunding to help small and medium-sized enterprises (SMEs) raise money from individual investors.

Currently, only venture startups are permitted to raise funds through crowdfunding, which enables them to get capital from a large number of small investors.

Choi Jong-ku, chairman of the Financial Services Commission (FSC) said, "Financial authorities will actively improve regulations to help crowdfunding serve as a stable fund-raising market for venture startups and SMEs." The govern-

ment will submit a bill to allow SMEs to secure funding via crowdfunding, and regulations on crowdfunding brokers will be eased to promote equity crowdfunding campaigns.

South Korea first adopted the equity-style crowdfunding program in 2016. According to the FSC, 183 companies raised a combined KRW 27.8 billion (USD 25.9 million) in 2017, up 59.7 percent from the previous year. In the first five months of 2018, crowdfunding drew KRW 60 billion from some 30,000 individual investors.