

Foreign Direct Investment

FSC EASES REQUIREMENTS FOR INDIVIDUAL INVESTORS TO BE REGISTERED AS PROFESSIONAL INVESTORS

The FSC has eased requirements to be registered as professional investors, who are allowed to make riskier investment than general investors. It aims to encourage professional investors to play an active role in funding innovative startups and SMEs.

The Financial Services Commission (FSC) announced that amendments to the Enforcement Decree of the Financial Investment Services and Capital Markets Act (FSCMA) were approved at a cabinet meeting on August 13.

FITCH REAFFIRMS S. KOREA'S RATING AT AA- WITH STABLE OUTLOOK

Fitch Ratings Inc. on August 9 kept South Korea's sovereign credit rating and stable outlook unchanged at AA-, fourth highest on its scale, although the country's growth is expected to slow to 2.0 percent and uncertainties linger for next year on mounting trade woes.

Despite the slow-motion economy, Asia's fourth largest economy remains relatively "sound and broadly" compared to its peers in the same investment-grade group.

Fitch forecast that growth will slow to 2.0 percent this year and 2.3 percent next year, with

Notably, to be registered as professional investors, investors are required to maintain a financial investment account with a "minimum balance of KRW 50 million except for ultra-low risk products" from a previously minimum balance of KRW 500 million. Ultra-low risk products refer to national bonds and Repurchase Agreement (RP).

FSC expects the number of professional investors to increase from 1,950 as of end-2018 to 370,000-390,000.

intensified downturn in the semiconductor sector that drives a contraction in exports and facility investment. The escalating U.S.-China trade war and rising uncertainties from trade tensions with Japan weighs on exports and investor sentiment, it added.

Given rising uncertainty from escalating trade tensions and subdued inflationary pressure, Fitch expected another 25 basis points cut in the policy rate by the end of the year. The Bank of Korea delivered its first rate cut by 25 basis points to 1.5 percent in more than three years on July 18.

Trade & Commerce

EXPORTS OF AGRICULTURAL, FISHERY GOODS UP 1.5 PCT IN H1

South Korea's outbound shipments of agricultural and fishery products moved up 1.5 percent in the first half of 2019 from a year earlier, data showed on August 4, although shipments to Japan, the biggest export partner in the area, fell slightly.

The combined outbound shipments of agricultural and fishery products reached USD 4.72 billion in the January-June period, according to the

data compiled by Korea Agro-Fisheries & Food Trade Corporation, rising on-year on growing demand from China and the United States.

Japan, the biggest buyer of South Korea's agricultural fishery goods, accounted for 22 percent of the combined exports, although the amount fell 0.3 percent over the cited period to reach USD 1 billion, the data showed.

KOREA'S FTA WITH 5 CENTRAL AMERICAN COUNTRIES TO TAKE EFFECT IN OCT.

South Korea's trade ministry said August 16 it plans to clinch new free trade agreements (FTAs) this year, including those with three Southeast Asian countries, in the near future to boost its exports to cope with the growing protectionism around the globe.

Asia's No. 4 economy is currently seeking to clinch FTAs with Indonesia, Malaysia and the Philippines within this year in time for South Korea's summit with the Association of Southeast Asian Nations (ASEAN) in November, according to the

Ministry of Trade, Industry, and Energy.

South Korea and Israel have also made significant progress in their FTA negotiations, with the deal expected to be reached in the near future, the ministry said.

"It is important to actively penetrate into emerging markets amid growing external uncertainties, such as Japan's export restriction (against South Korea) and the trade talks between Washington and Beijing," Trade Minister Yoo Myung-hee said during a meeting held in Seoul.

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MOF HOLDS EXPORT CONSULTATIONS WORTH KRW 26.6 BN IN VIETNAM

On August 8, the Ministry of Oceans and Fisheries (MOF) announced it held trade consultations for fishery products in Ho Chi Minh, Vietnam on the previous day, resulting in the signing of export contracts worth KRW 26.6 billion.

The event was participated by 70 importing companies from Vietnam, Laos and Cambodia, among others. From Korea, 21 exporting companies participated to have one-on-one export consultations,

promoting dried laver, abalone, plaice, and pollack processed foods. At the consultations, three exporting companies signed letters of intent worth KRW 1.93 billion.

An official from MOF said, "The export market for fishery products, which previously relied on the U.S., Japan and China, will be diversified to other regions including ASEAN countries to increase Korea's exports."

Industry

S. KOREA'S 5G MOBILE SUBSCRIPTIONS TOP 2 MN IN JUST 4 MONTHS OF LAUNCH

The number of 5G network subscriptions in South Korea has breached a milestone figure of 2 million in just four months since commercial service launch, proliferating at twice faster than projected by the industry and authorities.

As of August 6, the number of mobile users subscribed to 5G service in Korea reached 2.01 million, according to telecom industry sources.

Korea became the first country in the world to commercially launch 5G service on April 3. The 1 million milestone was reached on June 10 and the 2 million two months later.

Industry experts earlier projected the country's 5G mobile subscriptions would reach 2 million around the end of this year.

The growth in 5G subscription in Korea is expected to pick up speed further as new 5G-enabled smartphones including Samsung Electronics Co.'s new flagship Galaxy 10 5G are readying to hit store shelves soon. Recently, the number of 5G subscription has been rising by 20,000 daily, which could double total 5G subscriptions to 400,000 by the end of this year, experts forecast.

S. KOREA TOPS SHIPBUILDING ORDERS FOR 3RD MONTH IN JULY

South Korea retained the top spot in global shipbuilding orders for the third straight month last month, industry data showed August 13.

In July, local shipyards won orders totaling 270,000 compensated gross tons (CGTs) to build 10 ships, accounting for half of the orders placed around the globe, according to London-based

Clarkson Research Services Ltd., the world's leading provider of data for the shipping and shipbuilding industries.

In the first seven months of the year, South Korean shipbuilders secured orders totaling 3.74 million CGTs to construct 92 vessels for a 32 percent market share, the data showed.

Government & Policy

S. KOREA TO SPEND 7.8 TLN WON FOR STABLE SUPPLY OF 100 KEY STRATEGIC ITEMS

South Korea said August 5 it will spend KRW 7.8 trillion (USD 6.47 billion) over the next five years to nurture its materials, parts and equipment sectors and trim its dependence on Japanese imports in the latest move to cope with the neighbor's economic retaliation.

The massive spending is also aimed at promoting R&D activities for 100 key strategic items, according to the industry ministry.

"We will upgrade the competitiveness of the materials, parts and equipment industries," Hong

Nam-ki, minister of economy and finance, said in a meeting with officials in Seoul.

In July, Japan also imposed tighter regulations on exports to South Korea of three materials – resist, etching gas and fluorinated polyimide – that are critical for the production of semiconductors and flexible displays.

Of the 100 key strategic items, the industry ministry said it plans to secure supplies of 20 items within a year by reaching out to suppliers in other countries, including the United States and China.

SEOUL TO EXPEDITE USD 13.6 BN INFRA PROJECTS TO PROP UP DOMESTIC DEMAND

South Korea will expedite state-sponsored infrastructure projects worth KRW 16.5 trillion (USD 13.6 billion) in the latter half to prop up the sluggish economy that is headed for the smallest growth in a decade.

Hong Nam-ki, deputy prime minister and finance minister, said August 14 that KRW 5.1 trillion would go to adding public rental housing, KRW 5.9 trillion for roads and KRW 5.2 trillion for railways.

"We plan to pour an additional KRW 360 billion

into research of smart construction technologies, with an aim to boost the productivity and safety of the construction sector by 50 percent by 2025," Hong said.

Red tapes in the construction industry would be removed to reduce unnecessary costs and improve business conditions, he said. He vowed to take action against 26 regulations, including those to simplify the administrative process and rationalize the company assessment system.