**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 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 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 Ministry of Trade, Industry, and Energy.

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 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.

Ministry of Trade, Industry, and Energy.

South Korea and Israel have also have 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.

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

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**S. KOREA TO CLINCH NEW FTAS THIS YEAR**

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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.

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. 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.

Source: www.investkorea.org, Yonhap News Agency, Pulse by Maeil Business News Korea