Foreign Direct Investment

Global beauty heavyweight, Sephora, opened its first outlet in South Korea on Oct. 24.
Sephora made its Korean debut at Parnas Mall in the posh district of Gangnam in southern Seoul, according to Sephora Korea. Spread across 547 square feet, the store features hundreds of cosmetics, skin care, body and fragrance brands, along with its own private label.

S. Korea continues to enjoy a significant increase in foreign investment in its financial markets that may suggest its economic fundamentals remain strong, which in turn means it may still reserve room for additional monetary policy maneuvers, officials and analysts said Oct. 23.
Since the beginning of this month, foreign investors sold a net KRW 880.3 billion (USD 752 million) worth of local stocks, becoming net sellers in 10 out of 13 trading sessions as of Oct. 21.
They also sold a net KRW 345.4 billion in three consecutive sessions following the latest base rate reduction by the BOK monetary policy board Oct. 23.

Foreign direct investment (FDI) pledged to S. Korea in the third quarter of 2019 moved up 4.8 percent from a year earlier, data showed Oct. 10.
Asia’s No. 4 economy received USD 3.61 billion worth of FDI commitments over the July-September period, according to the Ministry of Trade, Industry and Energy. It marked the first on-year increase after the figure lost ground for the previous four quarters.
As the volume reached USD 13.49 billion won over the January-September period, the ministry said it is likely that S. Korea will meet its target of USD 20 billion for the fifth consecutive year in 2019.
Notably, in the third quarter, FDI pledges on the so-called emerging industries, which cover materials, parts and artificial intelligence, reached USD 1.5 billion, doubling from a year earlier.

Trade & Commerce

S. Korea expects the impact from Britain’s departure from the European Union (EU), or Brexit, to be limited as a bilateral free trade agreement with London, once in effect, will cushion the potential repercussions, a ministry official said Oct. 23.
"We’re preparing to ratify the Korea-Britain FTA as swiftly as possible, taking into account a no-deal Brexit scenario, although that is an unlikely prospect," a ministry official told reporters. "We’re making every effort so that there will be no confusion over Brexit."
In late August, S. Korea and Britain signed a bilateral free trade agreement (FTA) to help maintain the continuity of their trade and economic ties after Brexit.
The FTA deal with Britain was unanimously approved by the foreign and unification affairs committee at the National Assembly and is subject to passage at the plenary session this month.

U.S. President Donald Trump boasted of the revised free trade agreement (FTA) with S. Korea as a "fantastic deal," branding it as one of his administrations' key successes.
"We've done S. Korea, which is a fantastic deal for us. It turned out even better than we thought," he said ahead of a Cabinet meeting at the White House on Oct. 21, while referring to foreign trade deals the U.S. has clinched as he stressed that the U.S. economy was doing well.
Seoul and Washington revised their bilateral trade deal last year at the U.S. request, six years after the pact went into effect. Trump had slammed it as a bad deal that took away American jobs and widened the U.S. trade deficit with S. Korea.
S. Korea's New Southern Policy, an ambitious goal that aims to better connect Korea to the ASEAN community, showed its first accomplishment.

Yoo Myung-Hee, deputy minister for FTA negotiations in Korea and her counterpart Enggartiasto Lukita, made a public announcement on bilateral trade negotiations, saying, "Korea and Indonesia have finally reached a de facto agreement on the comprehensive economic partnership (CEPA)," and signed a joint statement.

The two countries started trade talks since 2012 but suddenly suspended them after a 7th round in 2014. But last year's summit meeting with Indonesian President Joko Widodo opened up a chance to get back to subsequent talks for CEPA, and finally this year in February, trade representatives from both sides issued a formal declaration of the resumption of the negotiation.

S. Korea is aiming to more than double its share of the world’s all-electric and hydrogen-powered vehicle market to 10 percent by 2030 as it strives to foster future mobility as its new growth driver, government officials said Oct. 22.

Seoul currently accounts for 4 percent of the pure electric and hydrogen fuel-cell electric car market, according to a joint statement by the Ministry of Trade, Industry and Energy and the Ministry of Land, Infrastructure and Transport.

Domestically, the government aims to raise the ratio of electric and hydrogen cars to be sold in the Korean passenger vehicle market to 33 percent in 2030 from 2.6 percent in 2009, the statement said.

The goals are part of the broad future vehicles roadmap outlined by the Seoul government to secure unrivaled competitiveness in electric, hydrogen fuel-cell electric and autonomous vehicles.