Invest Korea, the investment promotion arm of the Korea Trade-Investment Promotion Agency (KOTRA), and the Ministry of Trade, Industry & Energy (MOTIE) held investor relations (IR) events in five major cities of China January 22-29 along with the Korea Agency for Saemangeum Development and Investment, the ChungBuk Free Economic Zone Authority, the City of Busan and the Kaesong Industrial Complex.

The IR events were carried out in Shanghai, Beijing, Guangzhou, Wuhan and Chengdu to attract Chinese investment in Korea by maximizing the free trade agreement (FTA) between Korea and China. Chinese investors had the opportunity to learn about Korea’s investment environment, major industries, industrial locations, growth engines and more.

KOTRA held a presentation on global investment promotion strategies for 2015 on January 7 at its headquarters. About 130 participants, including investment promotion experts from local governments, attended the event and listened to the presentations, which were about the outlook for the global investment environment, expansion of global investment promotion by maximizing the Korea-China FTA and strategies to increase investment promotion in the service industry through investment attraction in non metropolitan areas and regional development.

Korea News

KOREA’S EXPORTS IN 2014 REACH RECORD HIGH

Despite the global economic recession, Korea recorded its highest export volume and largest trade surplus in 2014. MOTIE announced January 1 that exports in 2014 reached USD 573.1 billion, a 2.4 percent increase from the previous year. Imports stood at USD 525.696 billion, a 2.0 percent increase year-on-year. Korea posted a trade surplus of USD 47.46 billion in 2014.

The export volume and trade surplus in 2014 exceeded the records of 2013, which were USD 559.723 billion and USD 44.194 billion, respectively.

Korea’s trade volume reached a record high of USD 1.98797 in 2014, surpassing USD 1 trillion for four consecutive years. The country achieved the “triple crown” status for largest exports, trade surplus and trade volume.

FDI IN KOREA HITS RECORD HIGH IN 2014

New notified foreign direct investment (FDI) in Korea rose more than 30 percent in 2014 from a year earlier, reaching a record high of USD 19 billion, according to MOTIE. New arrived FDI also reached a record high of USD 11.52 billion in 2014.

The service sector saw a 13.6 percent increase on-year in pledges of new FDI, at USD 11.19 billion. The manufacturing sector saw a rise of 64.6 percent in new FDI pledges, with USD 7.65 billion.

Pledges from countries in the European Union rose 35.4 percent on-year to USD 6.5 billion. Those from China soared 147.2 percent to USD 1.19 billion. New pledges from Japan saw a decrease of 7.5 percent on-year, to USD 2.49 billion.

FDI in Korea is expected to exceed USD 20 billion, according to the ministry.

Government & Policy

MOTIE PROMOTES 13 INDUSTRIAL ENGINE PROJECTS

The Korean government will promote 13 industrial engine projects.

MOTIE announced January 6 that it will invest KRW 449.5 billion (USD 407.4 million) in the 13 industrial engine projects, including those involving tilt rotor unmanned aerial vehicles and autonomous vehicles.

MOTIE will immediately begin the "stepping stone" project to commercialize the sectors with market demand at an early stage by maximizing the mid-stage performance of the industrial engine projects.

For the early commercialization of new convergence products, the ministry will establish measures to improve the system, such as providing swift certification and easing regulations.

"To carry out the industrial engine projects, we will reorganize the project by transforming each project into a business unit by the first half of this year," said a MOTIE official.

KOREA TO MAKE MOST OF FTA, PROTECT ITSELF FROM EXTERNAL SHOCK

Korea plans to maximize the FTAs it has signed with countries including China and protect itself from sudden external shocks, finance minister Choi Kyung-hwan said last month at the year’s first meeting of foreign economy-related ministers.

He also explained the importance of helping domestic companies expand into unexplored markets overseas, doing better in areas including global warming and development assistance and quickly ratifying Korea’s FTAs with China, Vietnam and New Zealand.

With regard to the Korea-China FTA, the government plans to establish a comprehensive-use plan so that companies will be able to make the most of the pact. Korea will also work this year toward open trade pacts with countries in the Middle East, Latin America and Central Asia.

Choi also spoke of the need for Korea’s economy to strengthen itself against external shocks, maintain macro-fiscal health and more.

February 2015 | 3