

Foreign investment in S. Korea spikes 5,000 times in 60 years: data

Foreign direct investment (FDI) pledged to the country has surged more than 5,000 times in 60 years, which helped play a key pillar of now Asia's fourth-largest economy, the industry ministry said on Nov. 2.

In 1962, a local carmaker reported receiving USD 3 million in foreign investment, the first of its kind for the country, and the total FDI amount that year stood at USD 4 million, according to the Ministry of Trade, Industry and Energy.

The foreign investment then spiked drastically to come to USD 20.8 billion last year, and the figure for the first nine months of this year stood at USD 18.2 billion, the ministry said, releasing the data to mark Foreign Company Day.

Currently, foreign-invested firms account for 19.4 percent of the country's total exports, or USD 117.4 billion, and 5 percent of the total employment, or 740,000 workers, the data showed.

S. Korea, ASML vow to boost cooperation in semiconductor sector

Korea and ASML Holding N.V., the world's leading photolithography equipment maker, agreed on Nov. 18 to enhance cooperation for resilient supply chains of semiconductors and other key materials and equipment, Seoul's industry ministry said.

The consensus was reached during a meeting between Industry Minister Moon Sung-wook and ASML CEO Peter Wennink at the firm's local headquarters in the city of

Hwaseong, some 40 kilometers south of Seoul.

In May, ASML announced its plan to invest KRW 240 billion (USD 212 million) in establishing a high-tech cluster for extreme ultraviolet (EUV) and deep ultraviolet (DUV) lithography equipment in Hwaseong by 2025, which will include manufacturing plants and training centers.

Sartorius to invest USD 300 mn in bio material, equipment plant in Korea

Sartorius AG, German laboratory equipment and raw material maker, is slated to invest USD 300 million in the next three years to build a plant in South Korea.

Sartorius on Nov. 2 signed a memorandum of understanding with the Ministry of Health and Welfare, the Ministry of Trade, Industry and Energy, as well as the Incheon Metropolitan City government to set up a factory in Songdo, Incheon. Its major clients such as Celltrion Inc., Samsung Biologics Co. and SK Bioscience Co. are operating plants there.

The German pharmaceutical and laboratory equipment supplier plans to manufacture raw materials and equipment such as cell culture bags, cell culture media and

pharmaceutical filters, for the production of biopharmaceuticals and vaccines. The company will export those products to the global market.

The plan is expected to strengthen the country's status as a global vaccine production hub as global pharmaceutical giants such as AstraZeneca and Moderna Inc already outsourced manufacturing of COVID-19 vaccines to South Korean companies.

Meanwhile, in September, Cytiva, formerly known as GE Healthcare Life Science, announced a plan to invest \$52.5 million to build a cell culture bag plant in South Korea by 2024.

Netflix's monthly active users hit record high in S. Korea on 'Squid Game'

The number of Netflix's monthly active users (MAU) in South Korea hit a record high in September from a month earlier helped by the Korean-made mega hit "Squid Game," a market research firm said on Nov. 21.

The U.S. streaming giant's monthly active users in South Korea reached 9.5 million in

September, up 9.8 percent from the previous month's 8.6 million, according to Nielsen KoreanClick. September tally marked the highest since Netflix launched its streaming service in South Korea in 2016.

The MAU appears to have reached 10 million in October if the subscriber growth continued.

Korean startups pull in record USD 4 bn from foreign capital this year

South Korean startups drew over USD 4 billion from foreign venture capital so far this year as they benefited from Beijing's discriminative actions on foreign capital that turned attention on promising Korean innovative enterprises.

According to a study jointly carried out by Maeil Business Newspaper and startup data firm The VC, foreign venture capitals invested KRW 4.9 trillion (USD 4.2 billion) in 144 Korean startups between January and September, nearly six-fold from KRW 871.8

billion in 128 startups for full 2020.

Korea's online hotel booking app Yanolja was most hot, winning KRW 1.9 trillion investment from Japan's SoftBank in July.

Startups in diverse sectors including Toss, Market Kurly, Dangeun Market, Noom, and Riiid have each attracted as little as tens of billions of won to as much as hundreds of billions of won in foreign capital investment this year.

Trade & Commerce

S. Korea's exports predicted to hit record high in 2021

South Korea's exports are expected to touch an all-time high in 2021 on brisk overseas demand for key products amid the global economic recovery, with their growth momentum likely to continue next year, a report said Nov. 22.

The country's overseas shipments are projected to swell 24.1 percent from a year earlier to USD 636.2 billion this year, according to the report from the Korea International Trade Association (KITA).

Imports by Asia's fourth-largest economy

are likely to amount to USD 605.7 billion, up 29.5 percent from the previous year.

KITA predicted South Korea's exports to increase 2.1 percent on-year to USD 649.8 billion in 2022, with imports forecast to inch up 1.6 percent to USD 615.4 billion.

Next year's solid export growth will be bolstered by strong overseas demand for South Korean chips, petrochemicals, displays, textiles, wireless communication equipment and other key products, it said.

Industry

S. Korea's EV sales nearly double this year, 7th-largest worldwide

Sales of electric vehicles (EVs) in South Korea almost doubled in the first three quarters of this year from a year earlier, ranking seventh in the world, data showed on Nov. 15.

A total of 71,006 EVs were sold in Asia's fourth-largest economy in the January-September period, up 96 percent from a year earlier, according to the data from the Korea Automotive Technology Institute.

The figure was the seventh-largest in the

world. China sold the largest number of EVs with 1.8 million units in the nine-month period, followed by the United States with 272,554, Germany with 243,892, Britain with 131,832, France with 114,836 and Norway with 84,428.

South Korean auto giant Hyundai Motor Group sold 159,558 EVs during the period, up 67 percent from a year ago and the fifth-highest in the world.

Government & Policy

BOK raises key rate to 1 pct to tame inflation, household debt

South Korea's central bank raised its key policy rate on Nov. 25 to fight inflation and household debt, ending 20 months of the zero rate range put in place to stimulate the economy.

As widely expected, the monetary policy board of the Bank of Korea (BOK) voted to raise the benchmark seven-day repo rate by 0.25 percentage point to 1 percent.

The hike put an end to 20 months of the policy rate staying in the zero range after the central bank slashed it by a half percentage point to 0.75 percent in March last year. Two

months later, it trimmed the rate again to an all-time low of 0.5 percent.

The rate had stayed at the record low level until August this year, when the central bank delivered its first pandemic-era rate hike of a quarter percentage point.

Also on the same day, the BOK kept its 2021 growth outlook at 4 percent, while predicting a 3 percent advance in 2022, unchanged from its August projections. Still, the central bank revised up its inflation outlook for this year to 2.3 percent from 2.1 percent forecast three months earlier.