

Trade News

S. KOREA POSTS 69TH CONSECUTIVE MONTH OF TRADE SURPLUS IN OCT.

South Korea's trade remained in the black for 69 straight months on the back of rising global demand for locally made goods.

The country posted USD 7.14 billion in trade surplus in October, contracting from a surplus of USD 13.4 billion tallied a month earlier, according to data by the Korea Customs Service.

Asia's fourth-largest economy has enjoyed a monthly trade surplus since February 2012.

It logged USD 6 billion in trade surplus with Southeast Asian countries last month, including a surplus with Vietnam worth USD 2.3 billion, while it posted an excess of USD 4.66 billion in trade with China, its largest trading partner.

Trade with the United States recorded a surplus of USD 1.29 billion, down from USD 1.86 billion recorded a year ago, amid the Seoul government's efforts to reduce the goods trade imbalance with the world's largest economy.

ECCK SAYS S. KOREA, EU NEED TO START TALKS FOR FTA AMENDMENTS

On Nov. 13, the head of the European Chamber of Commerce in Korea (ECCK) called on the South Korean government to start negotiations to amend the existing free trade agreement (FTA) with the single market to ensure an equal playing field for businesses operating in the country.

In light of the ramifications of the fourth industrial revolution, the free trade deal, which took effect in July 2011, needs to have "more drastic renovation or updates," said ECCK President Christoph Heider in a press conference.

But he made it clear that the FTA has

been beneficial for South Korea and the EU and that the amendment package being sought by the EU is not a renegotiation but an effort to make it a better deal for both sides.

South Korea is the EU's ninth-largest trading partner, whereas the EU is South Korea's third largest export market, ECCK said.

From 2010 to 2016, the EU's exports to Korea jumped 59 percent from 2010 to 2016 and its imports from Korea rose 5 percent.

Government & Policy

S. KOREA TO INJECT KRW 30 TLN TO FOSTER INNOVATIVE STARTUPS

On Nov. 2, the South Korean government said that it will inject a combined KRW 30 trillion (USD 26.9 billion) in the next three years to foster innovative startups and venture firms in a bid to create a virtuous business cycle and secure a new growth engine.

Under the comprehensive plan endorsed by a ministerial level meeting chaired by Finance Minister Kim Dong-yeon, the government will focus on expanding money supply for fledgling enterprises and creating a generally venture-friendly environment.

"The venture capital market in South

Korea has been in the doldrums since the IT boom ended in the mid-2000s," a government official said. "The latest plan is aimed at encouraging talented young people to start their own business and supporting their growth."

The government, in addition, will reduce taxes on profits gained from stock options in startups in order to attract talented people to the sector.

In order to help startups raise funds more easily via stock sales, the government will boost the second- and third-tier exchange markets, such as the tech-heavy KOSDAQ and KONEX.

S. KOREA BUSINESS LEADERS MEET TRUMP AIDES IN SEOUL

South Korea's business leaders met with U.S. presidential aides on Nov. 8 to seek cooperation in their planned U.S. investments.

In a meeting held before U.S. President Donald Trump's speech to South Korea's National Assembly, Lee Dong-geun, vice chairman of the Korea Chamber of Commerce and Industry (KCCI) and the country's major business leaders met with a group of U.S. officials, including Deputy National Security Advisor Dina Powell.

The KCCI vice chairman and the Korean business leaders asked the U.S. officials to improve regulations and other

aspects of the U.S. business environment for their investments there.

The U.S. side said the Trump government will offer more business opportunities to foreign investors as the world's largest economy seeks to achieve higher growth.

In a recent survey of the KCCI's 170,000 member companies, 42 companies answered they plan to make investments worth a combined USD 17.3 billion in the U.S., and 24 firms said they will, taken together, purchase U.S. products worth USD 57.5 billion in the five-year period ending in 2021, a KCCI spokesman said.