

Trade News

S. KOREAN COMPANIES DIVERSIFY EXPORTS TO INDIA

South Korean businesses are ramping up their efforts to diversify export items to India as they seek to tap deeper into Asia's third-largest economy, according to industry sources.

Up until now, South Korean companies have focused on manufacturing sectors such as autos, chemicals, electronics, steel and machinery, but their recent push represents a strategy of finding new growth engines in India with high growth potential.

Leading the pack are South Korean food companies and fruit growers, which

are eager to discover new sources of revenue in the fast-growing economy with a population of 1.3 billion.

In March, Ottogi Co., South Korea's second-largest maker of instant noodles, started exporting a veggie noodle product to India, and the country has recently succeeded in exporting pears to India as well. According to informed sources, shipbuilding and startups have also emerged as promising industrial sectors as the Indian government has put forward a set of measures to boost those areas.

KOTRA: S. KOREA'S EXPORTS TO MAINTAIN GROWTH IN Q3

According to the Korea Trade-Investment Promotion Agency (KOTRA), South Korea's exports will likely maintain their growth in the third quarter of 2018 despite losing some price competitiveness in the global arena.

The country's Export Leading Index for the July-September period edged up 0.3 point to 59.6. With the exception of the Middle East and Africa, the numbers all showed improvement in exports.

"There are concerns brewing over the

trade war between the United States and other countries as well as worries surrounding foreign exchange rates and financial instability in emerging markets, but the overall index is maintaining an upwards momentum," the agency said.

Sector by sector, data showed South Korean exports of semiconductors, auto parts, food and textiles may post growth in the coming months, although wireless telecommunication and steel may face weaker overseas demand.

Government and Policy

SEOUL PROPOSES REAL ESTATE HIKE

The South Korean government has announced that it plans to raise real estate taxes in a bid to reduce the widening income gap, help level off housing prices and improve fair taxation.

The finance ministry said the proposed tax hike centers around raising the tax burden on owners of high value houses and multiple homes, and increasing the taxable amount of a property.

Under the proposed scheme, the so-called comprehensive real estate tax rate for properties valued at KRW 600 mil-

lion (USD 535,000) or below will remain unchanged at the current 0.5 percent. However, the rate for a property priced at KRW 600 million or more will be raised by between 0.1 percentage point and 0.5 percentage point, with the maximum rate to be raised to 2.5 percent from the current 2 percent.

The proposed tax overhaul is expected to affect about 350,000 people and is estimated to bring in KRW 740 billion in additional tax revenue.

GOV'T VOWS TO SUPPORT CONVERGENCE IN HEALTHCARE INDUSTRY

The South Korean government has pledged to expand support for combining technology breakthroughs with medical devices to get ahead in the latest trends in the advanced health care market.

The Ministry of Trade, Industry and Energy said it will step up collaboration with local tech and health care companies to develop high-value added products and services, such as a mobile health care management system, 3-D intraoral scanners, use of artificial intelligence in ultrasonic image analysis and rehabilitation practices.

During his visit to the Wonju medical

industry technovalley, Industry Minister Paik Un-gyu said, "The advanced medical market has been dominated by global companies, but Korean companies now have better chances to compete thanks to a highly skilled workforce and IT expertise that can allow it to target tech convergence in medical devices."

The ministry also vowed to work with hospitals, research institutes and health care companies to jointly develop medical big data that can be used in the development of personalized medicine.