

Foreign Direct Investment

ASTRAZENECA TO INVEST USD 630 MLN IN S. KOREA OVER 5 YRS

AstraZeneca PLC, a British-Swedish pharmaceutical company, will invest a total of USD 630 million in South Korea's biotech and healthcare sectors over five years starting next year, betting on the Korean government's big push to nurture the bio and healthcare industries as the country's next growth engines.

The investment plan was announced by Leif Johansson, chairman of AstraZeneca, during a Korea-Sweden business summit organized by Korea International Trade Association (KITA) in Stockholm on June 14. The summit was held on the sidelines of President Moon Jae-in's state visit to Sweden as part of

S. KOREA'S OVERSEAS DIRECT INVESTMENT HITS RECORD HIGH IN Q1

S. Korea's overseas direct investment hit a record level in the first quarter due mainly to a high base effect, government data showed on June 14.

Investments made by South Korean companies came to USD 14.11 billion in the January-March period, up 44.9 percent from USD 9.74 billion in the same period last year, according to the data compiled by the Ministry of Economy and Finance.

Trade & Commerce

SEOUL, MANILA ANNOUNCE FTA NEGOTIATIONS

South Korea officially announced the start of free trade agreement (FTA) negotiations with the Philippines on June 3 as part of efforts to strengthen economic ties with the Southeast Asian country.

During a meeting here, Trade Minister Yoo Myung-hee and her Philippine counterpart Ramon Lopez set the goal of completing the free trade negotiations by November this year, in tune with South Korea's summit with the Association of South-east Asian Nations (ASEAN) countries.

"By removing tariffs and non-tariff barriers, the

S. KOREA, BRITAIN AGREE ON POST-BREXIT FTA

South Korea and Britain reached an agreement on June 10 to maintain their current free trade agreement even after the "no deal" Brexit, with Seoul becoming a major non-EU member economy to seal such a deal as it braces for the fallout from the divorce.

The move came amid concerns that South Korean companies may no longer enjoy the benefits under the Korea-EU FTA if Britain leaves the world's single largest economic bloc without agreeing on post-Brexit

S. KOREA, SWEDEN SIGN MOUS ON TRADE, ECONOMIC COOPERATION

South Korea and Sweden have signed six memorandums of understandings (MOUs) to expand trade and cooperation in emerging industries.

The MOUs were signed in line with President Moon Jae-in's visit to Sweden on the last leg of his eight-day Northern Europe trip that also took him to Finland and Norway.

The agreements include those signed by the Korea International Trade Association (KITA) and the Korea

his Northern Europe trip.

Johansson said during the summit that the biomedicine industry is a key industry for both Korea and Sweden, and the latest investment plan will motivate the two countries to promote joint innovation, enhance industry capacity, and establish an ecosystem that increase consumer accessibility on healthcare.

AstraZeneca's investment will be focused on improving research and development, creating quality jobs, nurturing R&D professionals, and improving access to new drugs for local patients.

The figure is the highest for any first quarter since 1981, when the government began to release data on investments made by local companies.

"The record investment was driven by a high base effect and a large-scale merger and acquisition in the U.S. by a South Korean firm as well as increased investment in the semiconductor sector in China," said a ministry official handling the issue.

FTA will also further promote the economic cooperation between the two countries," Yoo said.

Trade volume between the two has been expanding sharply over the past years, reaching USD 15.6 billion in 2018, up 67 percent from USD 9.3 billion posted in 2010, according to Seoul's trade ministry.

South Korea already clinched FTAs with Vietnam and Singapore, and is currently FTA talks with Malaysia and Indonesia as well. If all talks under way are successful, South Korea will have FTA deals with all of its top five trading partners in Southeast Asia.

conditions.

Britain has set Oct. 31 as the new Brexit deadline to allow the country to find the best possible solution, which means the new agreement must be ratified by the date to be immediately implemented in November, Seoul's trade ministry said.

The two countries also vowed to expand cooperation in emerging industrial segments, including energy and artificial-intelligence technology, according to the ministry.

Trade-Investment Promotion Agency (KOTRA), as well as the signings between research labs to jointly develop new technologies in the fields of carbon convergence and internet-of-things (IoT), the industry ministry said.

"We will actively support the expansion of exchanges between the two countries' companies through the South Korea-Sweden industry cooperation committee, which will be established on the occasion of the president's trip," Industry Minister Sung Yun-mo said.

HEALTH CARE, COSMETICS SECTORS ENJOY SHARP EXPORT SURGE IN 2018

South Korea's health care and cosmetics exports surged to USD 14.6 billion last year, helped by solid demand, the Ministry of Health and Welfare said June 17.

Outbound shipments of drugs, medical equipment and makeup products jumped 19.4 percent from the previous year, with the annual average growth rate for the past five years hitting 21 percent, according to the ministry.

Of the total, cosmetics accounted for USD 6.3 billion followed by drugs and medical equipment at

USD 4.7 billion and USD 3.6 billion, respectively, the latest data showed.

Exports of cosmetics products shot up 26.5 percent compared with 2017, with corresponding numbers for pharmaceuticals and medical equipment rising 14.9 percent and 14.1 percent, respectively.

The ministry attributed the overall gains to "hallyu," or the Korean Wave, centered on K-pop and various other entertainment content and steady growth of local drugmakers on the global stage.

Industry

5G SUBSCRIBERS IN S. KOREA TOP 1 MLN AS COUNTRY EXPANDS COVERAGE

The total number of people who have subscribed to 5G wireless networks in South Korea has topped the 1 million mark as the country steadily expands its coverage infrastructure.

Subscriber numbers reached the milestone on June 10, 69 days after Asia's fourth largest economy became the first country in the world to officially launch 5G commercial services on April 3, according

to the Ministry of Science and ICT.

The new communication system is designed to offer unparalleled wireless connection speeds, low latency and the ability to connect far more devices without the system bogging down.

The increase comes as the number of cellular base stations around the country reached 61,246 early this week, up nearly 7 percent, or 3,980, from May 8.

LG CNS, MICROSOFT TO DEVELOP CLOUD-BASED ENTERPRISE SOLUTION

On June 16, LG CNS Co., LG's IT service subsidiary, said it has agreed with U.S. tech behemoth Microsoft Corp. to collaborate on the development of cloud-based enterprise solutions.

LG CNS and Microsoft signed a memorandum of understanding on strategic partnership at the American company's Asian-Pacific regional headquarters in Singapore, which calls for the integration of their IT and cloud platforms for new enterprise solutions.

The companies plan to form a task force team later

this year to develop groupware solutions based on Microsoft's cloud and Windows 10 and Office 365.

They will first target LG affiliates and other Korean companies and collaborate on marketing in other Asian nations, LG CNS said.

The companies also agreed to develop new technologies and solutions to meet growing demand for digital transformation in various areas, including smart factories and smart cities, the company said.

Government & Policy

CLEAN, FOSSIL-FREE ENERGY PLAN APPROVED

South Korea on June 4 reaffirmed its strong commitment toward reduced dependency on conventional energy sources, such as coal, and more environment-friendly sources.

The country's new energy policy roadmap, proposed in April, was approved at the Cabinet meeting, according to the Ministry of Trade, Industry, and Energy. South Korea's energy guidelines are renewed every five years with a 20-year goal.

The proposal is in line with the Moon Jae-in government's push to phase out coal and nuclear plants

and instead move toward clean and safe energy sources to meet the country's demand for electricity.

"The government plans to gradually decrease the number of nuclear and coal plants to have a clean and safe portfolio of energy," the ministry said in a statement.

Under the proposal, renewable energy sources, such as sunlight and wind, will account for up to 35 percent of the country's electricity output in 2040, sharply up from around 6 percent of the country's energy portfolio in 2017.

S. KOREA KEEPS MEMBERSHIP ON U.N. ECONOMIC-SOCIAL COUNCIL

South Korea has been reelected as a member of a U.N. council in charge of economic and social issues, a position it has held since 2008, the foreign ministry said June 15.

South Korea received membership on the Economic and Social Council (ECOSOC) from 2020 to 2022 in a vote at a U.N. general meeting Friday, the ministry said. It marks the country's eighth successive entry on the 54-member council.

A total of 18 countries were elected to be members for the next three years in the latest election.

The ECOSOC is a U.N. body responsible for overseeing world economic and social issues that range from human rights and development to crimes and drugs.

"We will continue our efforts to contribute to discussions on economic, social and developmental issues of the U.N. and the international community," the ministry said in a release.