

Foreign Direct Investment

WORLD'S LARGEST BEAUTY STORE DEBUTS IN S. KOREA

Global beauty heavyweight, Sephora, opened its first outlet in South Korea on Oct. 24.

Sephora made its Korean debut at Parnas Mall in the posh district of Gangnam in southern Seoul, according to Sephora Korea. Spread across 547 square feet, the store features hundreds of cosmetics, skin care, body and fragrance brands, along with its own private label.

Sephora, part of the French luxury goods conglomerate LVMH Group, has nearly 3,000 stores worldwide. The beauty conglomerate has expanded aggressively in Asia, opening stores in Singapore, Thailand and India.

Sephora plans to open six local stores and an official online store by 2020, as well as 13 additional stores in the country by 2022, the company said.

FOREIGN CAPITAL INFLOWS INDICATE ROOM FOR S. KOREAN MONETARY POLICY

S. Korea continues to enjoy a significant increase in foreign investment in its financial markets that may suggest its economic fundamentals remain strong, which in turn means it may still reserve room for additional monetary policy maneuvers, officials and analysts said Oct. 23.

Since the beginning of this month, foreign in-

vestors sold a net KRW 880.3 billion (USD 752 million) worth of local stocks, becoming net sellers in 10 out of 13 trading sessions as of Oct. 21.

They also sold a net KRW 345.4 billion in three consecutive sessions following the latest base rate reduction by the BOK monetary policy board Oct. 23.

FDI PLEDGES TO S. KOREA UP 4.8 PCT IN Q3

Foreign direct investment (FDI) pledged to S. Korea in the third quarter of 2019 moved up 4.8 percent from a year earlier, data showed Oct. 10.

Asia's No. 4 economy received USD 3.61 billion worth of FDI commitments over the July-September period, according to the Ministry of Trade, Industry and Energy. It marked the first on-year increase after the figure lost ground for the previous four quarters.

As the volume reached USD 13.49 billion won over the January-September period, the ministry said it is likely that S. Korea will meet its target of USD 20 billion for the fifth consecutive year in 2019.

Notably, in the third quarter, FDI pledges on the so-called emerging industries, which cover materials, parts and artificial intelligence, reached USD 1.5 billion, doubling from a year earlier.

Trade & Commerce

S. KOREA-BRITAIN FTA TO BUFFER POST-BREXIT IMPACT

S. Korea expects the impact from Britain's departure from the European Union (EU), or Brexit, to be limited as a bilateral free trade agreement with London, once in effect, will cushion the potential repercussions, a ministry official said Oct. 23.

"We're preparing to ratify the Korea-Britain FTA as swiftly as possible, taking into account a no-deal Brexit scenario, although that is an unlikely prospect," a ministry official told report-

ers. "We're making every effort so that there will be no confusion over Brexit."

In late August, S. Korea and Britain signed a bilateral free trade agreement (FTA) to help maintain the continuity of their trade and economic ties after Brexit.

The FTA deal with Britain was unanimously approved by the foreign and unification affairs committee at the National Assembly and is subject to passage at the plenary session this month.

TRUMP TOUTS NEW FREE TRADE DEAL WITH S. KOREA AS 'FANTASTIC'

U.S. President Donald Trump boasted of the revised free trade agreement (FTA) with S. Korea as a "fantastic deal," branding it as one of his administrations' key successes.

"We've done S. Korea, which is a fantastic deal for us. It turned out even better than we thought," he said ahead of a Cabinet meeting at the White House on Oct. 21, while referring to

foreign trade deals the U.S. has clinched as he stressed that the U.S. economy was doing well.

Seoul and Washington revised their bilateral trade deal last year at the U.S. request, six years after the pact went into effect. Trump had slammed it as a bad deal that took away American jobs and widened the U.S. trade deficit with S. Korea.

S. KOREA, INDONESIA REACH DE FACTO AGREEMENT WITH CEPA

S. Korea's New Southern Policy, an ambitious goal that aims to better connect Korea to the ASEAN community, showed its first accomplishment.

Yoo Myung-Hee, deputy minister for FTA negotiations in Korea and her counterpart Enggartiaso Lukita, made a public announcement on bilateral trade negotiations, saying, "Korea and Indonesia have finally reached a de facto agreement on the comprehensive economic part-

nership (CEPA)," and signed a joint statement.

The two countries started trade talks since 2012 but suddenly suspended them after a 7th round in 2014. But last year's summit meeting with Indonesian President Joko Widodo opened up a chance to get back to subsequent talks for CEPA, and finally this year in February, trade representatives from both sides issued a formal declaration of the resumption of the negotiation.

Industry

S. KOREA TO INSTALL HYDROGEN CHARGING STATIONS WITHOUT DELAY

S. Korea's industry ministry said Oct. 22 it will install hydrogen charging stations throughout the country without any delay in line with its hydrogen policy vision that promotes the cleanest energy for automobiles.

Under the plan, S. Korea will finish installation of 310 charging stations for hydrogen fuel cell cars by 2022, according to the Ministry of Trade, Industry and Energy. The number will eventually reach 1,200 units in 2040.

Hydrogen is an environment-friendly alterna-

tive to fossil fuels as automobiles running on the resource only create water in the process of generating power. It can be produced by processing LNG or as a byproduct of industrial facilities, including petrochemical plants.

S. Korea has been seeking to build a society that harnesses hydrogen as the main source of energy for vehicles and other daily uses. The policy is considered one of the key projects pursued by the Moon Jae-in administration.

KOREAN ECONOMY GROWS 0.4 PCT ON-QUARTER IN Q3: BOK

The S. Korean economy continued to grow at a steady pace in the third quarter, partly helped by increased government spending and a slight rebound in exports from three months earlier, central bank data showed Oct. 24.

In the three months ended Sept. 30, the country's real gross domestic product (GDP) gained 0.4 percent from the previous quarter, according to the advance data from the Bank of Korea (BOK).

The Q3 estimate marks a slowdown from a revised 1 percent on-quarter expansion in the

April-June period. However, from the same period last year, the local economy grew 2 percent in the third quarter, on par with the revised 2 percent on-year growth in the previous quarter, according to the BOK.

The steady growth apparently offers some relief as it follows an unexpected 0.4 percent on-year contraction in the first quarter. Exports also contributed to growth despite a steady decline in shipments, gaining 4.1 percent from three months earlier or 1.3 percent from the same period last year.

Government & Policy

SEOUL TARGETS 10 PCT OF GLOBAL EV, HYDROGEN CAR MARKET BY 2030

S. Korea is aiming to more than double its share of the world's all-electric and hydrogen-powered vehicle market to 10 percent by 2030 as it strives to foster future mobility as its new growth driver, government officials said Oct. 22.

Seoul currently accounts for 4 percent of the pure electric and hydrogen fuel-cell electric car market, according to a joint statement by the Ministry of Trade, Industry and Energy and the

Ministry of Land, Infrastructure and Transport.

Domestically, the government aims to raise the ratio of electric and hydrogen cars to be sold in the Korean passenger vehicle market to 33 percent in 2030 from 2.6 percent in 2009, the statement said.

The goals are part of the broad future vehicles roadmap outlined by the Seoul government to secure unrivaled competitiveness in electric, hydrogen fuel-cell electric and autonomous vehicles.