

Foreign Direct Investment

FDI pledges to S. Korea up 43.6 pct in Q3 despite pandemic

Foreign direct investment (FDI) pledges to S. Korea shot up 43.6 percent in the third quarter of 2020 from a year earlier, data showed Oct. 13, as the manufacturing segment drew a massive investment commitment.

Asia's No. 4 economy received USD 5.23 billion worth of FDI commitments over the July-September period, compared with USD 3.61 billion logged the previous year, according to the Ministry of Trade, Industry and Energy (MOTIE).

During the January-September period, S. Korea won FDI commitments of USD 3.78 billion in the manufacturing segment, up 9.2 percent from the previous year, on the back of strong gains from the electronics and medical industries. The service sector, however, received FDI commitments worth USD 8.91 billion, down 9.5 percent on-year, due to the weak performance of the retail and real estate industries, the data showed.

Ulsan Free Economic Zones to partner with KOTRA to attract FDI

On Oct. 6, Ulsan City launched a feasibility assessment project, partnering with KOTRA to set up a strategy to help bring foreign investment inflows into three Free Economic Zones—Hydrogen Town, Auto Valley and R&D Biz Valley—across the city.

This annual project conducted by outsourced researchers and sponsored by MOTIE extends to

data collection and analysis to better understand the trends of the hydrogen industry at home and abroad, business comparative advantage, investment modeling, as well as targeting and support work for investor relations (IR).

The budget for the research project is estimated to total KRW 100 million with KRW 70 million coming from the trade ministry.

Industry

S. Korean drug firms ink major COVID-19 vaccine, treatment manufacturing deals

A number of major South Korean pharmaceutical companies have recently signed a series of deals to manufacture vaccines and treatment drugs for the novel coronavirus, industry watchers said Nov. 18.

Among the front-runners is industry leader Samsung Biologics Co., which successfully inked two contract manufacturing organization (CMO) agreements this year. Earlier this week, the company also signed a long-term agreement with U.S. pharmaceutical firm Eli Lilly and Company to manufacture a novel coronavirus-neutralizing antibody. Under the CMO agreement, Samsung Biologics will provide Eli Lilly's investigational neutralizing antibody for

the treatment of COVID-19 patients.

Another industry leader, SK Bioscience, also inked a CMO deal with global pharmaceutical company AstraZeneca in July to supply a candidate material for a COVID-19 vaccine.

In August, the local biotech firm also signed a separate contract development and manufacturing organization (CDMO) deal with Novavax, a U.S. biopharmaceutical company, for a COVID-19 vaccine.

Under the deal, SK Bioscience will receive the antigen manufacturing technology from Novavax and will produce the vaccine at its plant in the country.

Consumer sentiment rises by most in nearly 12 years in Oct. amid eased virus curbs

S. Korea's consumer sentiment rose by the most in nearly 12 years in October as the economic outlook improved amid relaxed social distancing measures, central bank data showed Oct. 28.

The composite consumer sentiment index (CCSI) came in at 91.6 for October, up 12.2 points from 79.4 recorded for September, according to the Bank of Korea (BOK). The read-

ing marks the largest on-month increase since April 2009 when the index rose by 20.2 points. It also marks the highest mark since February when the sentiment index reached 96.9.

The BOK said the rebound in consumer sentiment came as people presented a brighter economic outlook following a slowdown in new COVID-19 cases.

Trade & Commerce

S. Korea signs RCEP trade pact after summit with 14 partner nations

South Korea signed what will be the world's largest free trade agreement on Nov. 15 after concluding related talks during a virtual summit of President Moon Jae-in and leaders of 14 partner countries.

The Regional Comprehensive Economic Partnership (RCEP) involves 10 members of the Association of Southeast Asian Nations (ASEAN) as well as South Korea, China, Japan, Australia and New Zealand, and their combined gross domestic product accounts for a third of the world's

total.

"We note that the RCEP Agreement is an unprecedented mega regional trading arrangement that comprises a diverse mix of developed, developing and least developed economies of the region," Moon and his counterparts said in their joint statement.

They added, "We believe that RCEP, being the world's largest free trade arrangement, represents an important step forward toward an ideal framework of global trade and investment rules."

FTA partners help S. Korea continue trade surplus amid virus

S. Korea's free trade agreement (FTA) partners have played a key role in helping the country maintain its trade surplus and volume this year amid the coronavirus pandemic, government data showed Oct. 28.

Asia's fourth-largest economy registered a

trade surplus of USD 40.4 billion with its FTA partners in the January-September period, according to the data from the Korea Customs Service.

In contrast, S. Korea posted a USD 12.8 billion trade deficit with non-FTA partners, resulting in an overall surplus of USD 27.6 billion.

Government & Policy

In budget speech, Moon says time for full-scale push to revitalize economy

President Moon Jae-in declared a full-fledged policy drive on Oct. 28 for the clear recovery of S. Korea's economy, coupled with the firm stabilization of the COVID-19 situation here.

In his parliamentary speech on the state budget, Moon assured lawmakers that the government would create a record high budget, proposed for 2021, with a focus on creating jobs, reinvigorating the economy and winning the fight against the coronavirus. His administration has drawn up a KRW 555.8 trillion (USD 469.8 billion) budget bill, a 8.5 percent hike from this year.

"It's time to operate full-scale measures to invigorate our economy to put it on a normal track starting next year," he said during the annual address at the National Assembly. He described a clear economic recovery and a win in the anti-virus fight as "two rabbits" that S. Korea should catch at the same time without fail.

"First, (the government) will put its priority on a quick and strong economic recovery," Moon

said regarding the direction of the government's fiscal operation plans.

He emphasized the importance of maintaining and creating jobs, saying it is a starting point for an economic recovery, as well as the most important issue associated with people's livelihoods.

He cited the Korean version of the New Deal aimed at transforming the nation into a "pacesetting" economy via job creation and the development of future growth engines, especially in digital and environment friendly sectors, a project to cost a total of around KRW 160 trillion.

Moon said S. Korea is proving to be a country "strong in crises," as it has done better so far in both virus control and economic stimulus than many other countries.

S. Korea's economy, the fourth largest in Asia, grew in the July-September period mainly on a rebound in exports after having contracted for two consecutive quarters, according to the Bank of Korea.