

Netflix's income in Korea quadruples in the year of pandemic

Multinational streaming provider Netflix saw its operating profit quadruple and revenue more than double in S. Korea last year against a year ago amid surge in subscribers during the pandemic year of high demand in home entertainment, said its local unit.

According to its regulatory disclosure on Apr. 12, Netflix Services Korea posted an operating profit of KRW 8.82 billion (USD 7.8 million) in 2020, up 295.5 percent from the previous year. Its revenue expanded 123.5 percent on year to KRW 415.5 billion.

This is the first time that the company has disclosed its financial statements since its

launch in Korea in 2016.

The strong earnings growth was driven by rapid growth in users.

Netflix said its paid subscribers in Korea amounted to 3.8 million as of the end of last year. Most of the company's revenue last year came from monthly subscription fees, which reached KRW 398.8 billion versus KRW 175.6 billion in the previous year.

Netflix has spent KRW 770 billion on making Korean titles since its Korean entry and pledged additional investment of KRW 550 billion this year.

Louis Vuitton, Hermes enjoy bumper pandemic year as Koreans lavish on luxuries

Luxury fashion houses Hermes, Chanel and Louis Vuitton enjoyed a bumper year in S. Korea as rich Koreans bound at home amid pandemic went on a spending spree.

Louis Vuitton Korea Ltd., the Korean unit of French high-end luxury fashion brand, in its disclosure on Apr. 12 said its operating profit in 2020 reached KRW 151.9 billion (USD 135.1 million), surging 176.7 percent from a year earlier.

Sales jumped 33.4 percent on year to total KRW 1.05 trillion, hitting the KRW 1

trillion milestone in yearly sales for the first time. Compared to nine years ago, sales more than doubled.

Hermes also posted an operating profit of KRW 133.3 billion in 2020, up 15.9 percent from the previous year. Sales added 15.8 percent to KRW 419 billion during the same period.

Hyundai Department Store reported a 121.5 percent on-year increase in luxury sales, and Shinsegae Department Store 62.5 percent.

WeWork expects double-digit growth in S. Korea despite pandemic

U.S.-based coworking space provider WeWork expects double-digit growth in S. Korea this year on strong demand from corporate customers despite the COVID-19 pandemic, the chief of its S. Korean unit has said.

WeWork Korea posted 20 percent on-year growth in sales last year, helped by restructuring and growing demand from conglomerates, public companies and project businesses, which require more than 1,000 seats, the company's General Manager Patricia Chun said in a group interview.

"This year, we aim to achieve double-digit sales growth, though not the level of last year's growth, by promoting our advanced infrastructure and premium services in WeWork coworking locations," Chun said on Apr. 13.

Chun, who joined WeWork Korea as gen-

eral manager in April last year, said the Korean unit will focus on enhancing profitability this year rather than making investments to expand its physical locations.

For WeWork, she said the capital city of Seoul is the second-most competitive city after London in the "international market" except for China and Japan when it comes to accommodating capacity. The international market does not include the United States, Canada and Latin America. London has more than 100 physical WeWork locations.

In Korea, "enterprise" customers, including the Samsung, SK and Lotte groups, account for 60 percent of WeWork's total membership, higher than the average of 50 percent in other countries. Lawyers, accountants, sales officers, and promotion and marketing people are members as well.

Trade & Commerce

Exports grow 24.8 pct in first 10 days of April

S. Korea's exports rose 24.8 percent on-year in the first 10 days of April as shipments of chips and autos remained robust amid an economic recovery from the pandemic, customs data showed on Apr. 12.

The country's outbound shipments stood at USD 15 billion in the April 1-10 period, compared with USD 12 billion a year earlier, according to the data from the Korea Customs Service.

Imports increased 14.8 percent on-year to USD 16.7 billion, resulting in a trade deficit of USD 1.7 billion during the cited period, the

data showed.

By sector, outbound shipments of memory chips, a key export item, rose 24.8 percent on-year and those of autos gained 29.8 percent.

The S. Korean economy is on a recovery track, aided by robust exports of semiconductors and vehicles. The country's exports, which account for half of the economy, advanced 16.6 percent on-year in March to extend their gains for the fifth consecutive month. Overseas shipments grew 12.7 percent on-year to USD 146.7 billion in the first quarter.

Industry

Mobile carriers tipped for robust Q1 earnings on 5G growth

S. Korean wireless carriers are estimated to have logged robust earnings in the first quarter on the back of sharp growth in 5G users and their non-telecom businesses, a poll showed on Apr. 11.

The combined operating profits of the country's three major mobile carriers—SK Telecom Co., KT Corp. and LG Uplus Corp.—are expected to have reached KRW 966.5 billion (USD 863.3 million) in the January-March period, up 6.8 percent from the previous year, according to the poll on six local brokerage houses by Yonhap Infomax, the financial arm

of Yonhap News Agency.

Analysts said their strong bottom lines come as mobile subscribers to 5G networks sharply rose this year. "As 5G penetration increases, service sales growth is in full swing, while marketing costs are expected to decline," Hana Financial Investment analyst Kim Hong-sik said.

S. Korea added around 1.8 million 5G users in the first two months of this year, reaching a total of 13.66 million, which accounts for 19 percent of all mobile service subscriptions, according to data from the Ministry of Science and ICT.

S. Korea's Q1 growth estimated to have recovered to pre-pandemic level

S. Korea's first-quarter economic growth is widely estimated to have recovered to pre-pandemic levels on a rapid rebound in exports and investment, experts said on Apr. 19.

According to a central bank estimate, a 1.3 percent gain in first-quarter GDP means the country's economic growth has rebounded to

the level before the coronavirus outbreak.

S. Korea's economy contracted 1.3 percent and 3.2 percent in the first and second quarter of last year, respectively, before expanding 2.1 percent in the third quarter and 1.2 percent in the fourth quarter.

Government & Policy

S. Korea to spend KRW 1.1 tln for Level 4 self-driving technology

S. Korea said on Mar. 24 it plans to spend KRW 1.1 trillion (USD 974 million) by 2027 to speed up the development of Level 4 self-driving vehicles and boost related technologies.

At Level 4, one stage before full autonomy, the vehicle can drive itself under limited conditions and does not require human intervention.

Under the plan, S. Korea will support 84

projects to develop vehicle convergence, information and communication and road traffic technologies, as well as self-driving services and the broader ecosystem of self-driving vehicles.

Major S. Korean tech and auto companies have also been racing to develop more advanced self-driving vehicles in recent years.