FDI pledges to S. Korea soar 71.5 pct in H1 on economic recovery

The combined amount of foreign direct investment (FDI) pledges made to Asia's No. 4 economy shot up 71.5 percent on-year in the first half of 2021, data showed on July 7, amid growing hopes of a post-pandemic economic recovery.

Foreigners pledged to make a combined investment of USD 13 billion over the January-June period, compared with USD 76.6 billion tallied a year earlier, according to the Ministry of Trade, Industry and Energy. The investment that arrived here rose 57.3 percent over the period to USD 7.84 billion.

The ministry attributed the sharp growth to the looming hope over the post-pandemic economic recovery around the globe. S. Korea's launch of state-backed projects also led to higher investment from overseas, the ministry added.

S. Korea has been promoting the Digital and Green New Deal projects, which intend to foster the nation's future growth by promoting digital innovation, green industries and balanced regional development.

The ministry said FDI pledges related to such projects amounted to USD 3.3 billion, which doubled from the previous year. Those related to the green policies came to USD 610 million.

S. Korea is expected to maintain solid growth in terms of securing foreign investment for the remaining 2021 despite the rising uncertainties surrounding the delta variant of COVID-19, although it may take some time to return to the pre-pandemic level, the ministry added.

S. Korea's biopharmaceutical exports more than double in 2020

S. Korea's exports of biopharmaceutical products more than doubled in 2020 from a year earlier on the back of the growing demand for pharmaceutical products amid the COVID-19 pandemic, a report showed on July 26.

Outbound shipments of high-end biopharmaceutical products came to USD 5.1 billion in 2020, compared with around USD 2.1 billion tallied the previous year, according to the Korea International Trade Association (KITA).

Asia's fourth-largest economy stood in seventh place in terms of exports in the segment, up two notches from a year earlier.

KITA said S. Korea's exports of biopharmaceutical products are expected to continue to grow down the road as Washington is seeking to revamp its supply chain of key pharmaceutical products and forge deeper ties with its allies in the area.

"S. Korea currently stands as the No. 2 player in terms of its production capacity of biopharmaceutical products." KITA said in its report, pointing out that it has already clinched manufacturing agreements with various global firms.

S. Korea's exports to hit record high in 2021: KOTRA

S. Korea's exports are expected to reach a record high in 2021, a report said on July 1, on the back of the global economic recovery and stronger demand for semiconductor products.

Outbound shipments are expected to reach up to USD 610 billion this year, up 19 percent from 2020, according to the Korea Trade-Investment Promotion Agency (KOTRA).

KOTRA attributed the rosy outlook to strong overseas sales of displays, mobile devices, and chips amid eased virus rules around the globe. Global demand for automobiles and petroleum products is also expected to remain on a recovery track down the road in sync with the revitalizing business activities, it added.

S. Korea's exports jumped 39.7 percent on-year in June to extend their gains to an eighth consecutive month on the back of a recovery in global business activities. In the first six months of 2021, exports advanced 26.1 percent to reach $303.2 billion, setting a new record for any first-half period.
Fitch affirms S. Korea's rating at fourth-highest AA- with stable outlook

Fitch Ratings Inc. reaffirmed S. Korea’s sovereign credit rating at AA- with a “stable” outlook, citing robust external finances and resilient macroeconomic performance despite worrisome debt buildup, while forecasting economy to expand 4.5 percent this year.

On July 21 in local time, Fitch Ratings kept Korea’s long-term foreign-currency debt unchanged at AA-, crediting the country as having “robust external finances, resilient macroeconomic performance and modest fiscal headroom against geopolitical risks related to North Korea and medium-term structural challenges from an ageing population.”

The agency noted that “the strong economic recovery, underpinned by the government’s effective management of the coronavirus pandemic and a dynamic export sector, should continue to support Korea’s credit metrics in the near term.”

Fitch Ratings forecast Korea’s real gross domestic product to grow by 4.5 percent this year on the back of speedy vaccination rollout, although a “increase in coronavirus cases poses downside risks to our expectations of a domestic consumption recovery” in the second half “as social distancing restrictions have been tightened to their highest level during the pandemic. It projected a 3.0 percent growth in 2022, noting that vaccination rollout and additional fiscal support should “facilitate a sustained recovery in domestic consumption through 2022.”

ADB ups its 2021 growth outlook for S. Korean economy to 4 pct

The Asian Development Bank (ADB) on July 20 sharply revised up its growth outlook for the S. Korean economy this year, citing robust exports and an expansion in facility investment.

The Manila-based bank expected Asia's fourth-largest economy to grow 4 percent this year, up from its earlier estimate in April of 3.5 percent. The bank's outlook is on a par with the growth estimates by the Bank of Korea (BOK) and global credit appraiser Standard & Poor's Global Ratings (S&P). The Korean government expected the country's economy to grow 4.2 percent this year.

S. Korea to expand investment in New Deal initiative, eyes more job creation

S. Korea said on July 14 that it plans to expand its investment in its signature New Deal policy projects in a bid to create more jobs and better prepare for the post-pandemic era.

Under the "New Deal 2.0" initiative, the government will invest KRW 220 trillion (USD 191 billion) in pushing for digital and green energy projects and promoting inclusive economic growth by 2025, up from its earlier investment plan of KRW 160 trillion.

It is an upgraded version of the New Deal 1.0 drive unveiled last year that centers on laying the groundwork for economic growth over the long haul amid the COVID-19 pandemic.

The country said the key policy initiative, if implemented, will help create around 2.5 million jobs by 2025 from its earlier target of 1.9 million jobs.

For the New Deal 2.0 drive, the government focused on policy measures to narrow a social divide caused by the pandemic and support young people's efforts to find jobs.

The initiative consists of four pillars—the Digital New Deal, the Green New Deal, the Human New Deal and balanced regional development.

The country plans to invest around 49 trillion won in digital projects by 2025 in a bid to nurture new growth of engines in the digital economy.

For the Green New Deal, the government plans to spend some 61 trillion won to bolster green industries and eco-friendly projects.

The Human New Deal is aimed at promoting inclusive growth as an economic recovery has remained uneven across sectors, aggravating income gaps between have and have-nots.