

## Foreign Direct Investment

## Amazon Global Store opens at Korea's e-commerce platform 11st.co.kr

11Street Co. opened Amazon's Global Store at its online shopping mall in August under the partnership between SK Telecom and the U.S. e-commerce giant.

From late August, 11st.co.kr users can now directly purchase items available at the Amazon Global Store, said 11Street's parent SK Telecom Co. during the second-quarter earnings conference call on Aug. 11.

The online shopping mall is also planning to run big promotional events with Amazon as part of their partnership efforts, said SK Telecom. Further details on their collaborative

projects will be unveiled later this month.

Last year, SK Telecom, a major telecom company in Korea, and Amazon agreed to collaborate in e-commerce business. Their collaboration includes Amazon's stake investment in 11Street. The deal comes with an option to acquire new shares in the Korean online shopping mall operator, which is aiming for an initial public offering in one to two years.

SK Telecom in June unveiled a plan to connect its membership program to 11Street Co's delivery service for Amazon Global Store shoppers.

## Trade &amp; Commerce

## Exports soar 41 pct in first 20 days of August

S. Korea's exports jumped 40.9 percent on-year in the first 20 days of August on the back of robust demand for chips, autos and petroleum products, customs data showed on Aug. 23.

The country's outbound shipments stood at USD 32.2 billion in the Aug. 1-20 period, compared with USD 22.9 billion a year earlier, according to the data from the Korea Customs Service.

Exports, which account for half of the economy, rose 29.6 percent on-year in July to a record high of USD 55.4 billion in July, extending their gains to the ninth straight month.

The Bank of Korea forecast Asia's fourth-largest economy to grow 4 percent this year. The government forecast economic growth of 4.2 percent.

## S. Korea to speed up FTA talks with Mercosur

S. Korea said on Aug. 12 it seeks to speed up its free trade negotiation with a group of South American countries, as the country aims to further expand its export portfolio.

S. Korea launched its negotiations with Mercosur—Brazil, Argentina, Paraguay and Uruguay—in 2018. The four countries make up around 70 percent of the population in South America and 68 percent of the region's economy.

"The trade agreement with Mercosur will pave the way for S. Korean exporters to secure the emerging markets of South America and complete our FTA portfolio in the region," the Ministry of Trade, Industry and Energy said in a statement.

S. Korea, meanwhile, has been making efforts to join deeper ties with emerging markets to brace for the post-pandemic economic recovery.

## S. Korea, U.S. join hands to bolster multilateralism

S. Korea and the United States on Aug. 13 agreed to join forces in reinforcing multilateralism and resolving other pending global trade issues.

Trade Minister Yeo Han-koo held a virtual meeting with his U.S. counterpart, Katherine Tai, to discuss ways to cope with the changing global trade environment, accord-

ing to the Ministry of Trade, Industry and Energy.

During the meeting, the two officials vowed to make efforts to restore the multilateral trade regime by normalizing the function of the Geneva-based WTO, which has been disturbed by the growing protectionism around the globe.

## Industry

**Korean capex up 4.6% in H1, driven by chip makers**

The combined capital expenditure by major Korean businesses in the first half of this year amounted to KRW 82.81 trillion (USD 70.46 billion) in the first six months, up 4.6 percent from a year ago and 12.6 percent from pre-pandemic levels two years ago, data showed on Aug. 20.

According to local business tracker CEO Score and Yonhap News, 332 out of top 500

companies whose half-year earnings report is available invested a combined KRW 82.81 trillion in the first six months, up by KRW 3.65 trillion or 4.6 percent from a year-ago period.

Spending in the IT, electrical and electronics sector was the most noticeable with a 23.5 percent jump on year to KRW 37.8 trillion amid a boom in the semiconductor market.

**Department store sales climb at fastest pace in Q2**

Sales of department stores in S. Korea grew at the fastest-ever clip in the second quarter of the year amid the coronavirus pandemic, data showed Aug. 10.

Local department stores saw their sales in terms of constant prices soar 20.3 percent on-year in the April-June period, according to the data from the Korean Statistical Information Service (KOSIS).

It was the largest-ever on-year increase for the second quarter since data tracking began in 1995. Industry watchers attributed the second-quarter jump to the so-called base effect,

as consumer spending plunged during the same period a year earlier due to the outbreak of COVID-19.

On a current price basis, department store sales surged 21.5 percent on-year to KRW 8.3 trillion (USD 7.24 billion) in the three-month period, while sales of supermarkets and grocery stores fell 5.2 percent to KRW 11.2 trillion.

The data also showed sales at duty-free shops spiked 39.2 percent on-year in the second quarter, with online shopping and homeshopping expanding 13 percent.

## Government &amp; Policy

**S. Korea to foster 1,800 5G service firms by 2026**

S. Korea aims to create around 1,800 companies that specialize in new 5G services in the next five years, the ICT ministry said on Aug. 18, to boost adoption of promising technologies powered by the latest generation networks.

While the country commercialized 5G in 2019, companies have yet to fully harness the blazing fast networks that could power upcoming tech services, such as remote-controlled factories, self-driving vehicles, and 3D holograms.

The ICT ministry said it aims to boost the number of companies that research and develop new 5G services from the current 94 to acquire a competitive edge in the network technology.

The ministry plans to support the rollout of services that incorporate 5G, including online classes that incorporate virtual reality and augmented reality technology and a metaverse-based online marketplace for small businesses.

With the increase in companies that develop the network technology, the ministry targets to apply 5G services in 3,200 locations by 2026 from the current 195.

It also outlined goals to establish a city that integrates 5G services from 2023, although the project currently remains in the planning phase.

As of end-June, S. Korea had 16.5 million 5G users, accounting for 23 percent of its total mobile network subscriptions.