

Foreign Direct Investment

S. Korea's 2021 outbound FDI at record-high USD 76 bn

S. Korea's outbound direct investment in 2021 soared 32.8 percent from the year previous to a record-high USD 75.9 billion, led by financial investors and manufacturing companies, according to the Ministry of Economy and Finance on Mar. 23.

By country, the US made up 36 percent of the country's 2021 foreign direct investment (FDI) with USD 27.6 billion, an 81.8 percent on-year surge, the ministry said.

One year into the COVID-19 pandemic, Korean exporters led by chipmakers and electric vehicle (EV) battery producers resumed large-scale facility investments abroad.

The country's outbound FDI in 2021 was more than double the USD 29.5 billion inbound FDI into S. Korea in the same year.

By industry, insurance and other financial services firms were the most active investors with a combined USD 29.3 billion, up 58.5 percent

on-year. Manufacturing companies came next with USD 18.2 billion in FDI, followed by real estate companies with USD 7 billion.

EV makers such as LG Energy Solution Ltd. and SK On Co. were among the companies most aggressive in overseas investments last year, setting up multibillion-dollar joint ventures with General Motors Co. and Ford Motor Co., respectively. POSCO Chemical Co. joined them in building overseas facilities to produce EV materials in the US, jointly with General Motors.

This year, Korean exporters are likely to continue to expand overseas facility investments. For the fourth quarter of 2021 alone, S. Korea's outward FDI totaled USD 30.2 billion, a 62.7 percent jump on-year. Excluding the proceeds from investment exits or fund liquidations, net FDI outflows swelled 82.7 percent on-year to USD 26.1 billion.

Trade & Commerce

10 years after KORUS FTA, bilateral trade soars nearly 70 percent

Trade volume of goods between S. Korea and the United States grew nearly 70 percent, and bilateral investment more than doubled over the past decade since their free trade agreement, Seoul's industry ministry said Mar. 11.

The Korea-U.S. Free Trade Agreement (KORUS FTA) marked its 10th anniversary this month, as the trade deal came into force in March 2012.

The bilateral trade of goods stood at USD 169.1 billion last year, up 67.8 percent from USD 100.8 billion logged in 2011, according to the Ministry of Trade, Industry and Energy. S. Korea's exports to the U.S. surged 70.6 percent

during the cited period to USD 95.9 billion in 2021, data showed.

The free trade agreement also boosted bilateral investment, with the U.S. being the No. 1 destination for S. Korean firms' overseas investment. The U.S. also accounted for the largest share of foreign direct investment made to S. Korea, according to the ministry.

S. Korea's investment in the U.S. more than doubled from around USD 7 billion in 2012 to USD 18.2 billion in 2020, and the U.S.' investment in S. Korea advanced to USD 5.3 billion in 2020 from 3.67 billion, the data showed.

Exports grow 10 pct in first 20 days of March

S. Korea's exports rose 10.1 percent in the first 20 days of March from a year earlier on the back of demand for chips and petroleum products, customs data showed Mar. 21.

The country's outbound shipments stood at USD 37.3 billion in the March 1-20 period, compared with USD 33.8 billion a year earlier, according to the data from the Korea Customs Service.

By sector, outbound shipments of memory chips, a key export item, rose 30.8 percent on-year.

Semiconductors accounted for about 20 percent of exports by S. Korea, home to Samsung Electronics Co., the world's largest memory chip maker, and its smaller rival SK hynix Inc. Exports of petroleum products soared 79 percent on-year as oil prices spiked amid the Ukraine crisis.

The Bank of Korea forecast the S. Korean economy will expand 3 percent this year after 4 percent growth last year. The finance ministry expects the Korean economy to grow 3.1 percent in 2022.

Industry

S. Korea ranks 10th on global top-selling product list in 2020

S. Korea had 77 globally top-selling products in 2020, placing 10th in the world, data showed Mar. 14.

The number of S. Korea's top-selling goods was up six from a year earlier, and the country retained the No. 10 spot for two years running, according to the Korea International Trade Association (KITA).

By segment, S. Korean-made chemicals (29 products) and nonferrous metal products (20) accounted for 63.7 percent of the country's export items with top global market shares.

Polarizing sheets used in making liquid crystal displays, laser equipment and 15 other products newly made the list of S. Korea's globally top-selling items, with 11 goods dropping out of the list.

S. Korean battery makers tout latest technologies, future visions at Seoul exhibition

Major S. Korean battery makers showcased their latest technologies and visions for future growth during an international battery exhibition in Seoul, held from Mar. 17-19.

SK On Co., LG Energy Solution Ltd. and Samsung SDI Co. were among some 250 battery and battery parts manufacturers and automotive companies around the globe participating in the three-day InterBattery 2022, taking

place in the Convention and Exhibition Center (COEX).

The InterBattery exhibition, first launched in 2013, is an annual business event showcasing various new products and technologies related to the battery industry. This year's session is co-hosted by the Ministry of Trade, Industry and Energy and the Korea Battery Industry Association (KBIA).

Government & Policy

Biz lobbies ask President-elect Yoon to create biz-friendly environment

S. Korea's business lobby groups on Mar. 10 called on President-elect Yoon Suk-yeol to create an environment for companies to make further investments and create more jobs.

Opposition candidate Yoon, 61, was elected S. Korea's next president on Mar. 10 after an unbelievably close race that underlined deep divisions along regional, generational and gender lines, and hands him a daunting task to narrow those chasms.

The country's business lobbies, such as the Federation of Korean Industries (FKI), the Korea Chamber of Commerce and Industry (KCCI), and the Korea International Trade Association (KITA) made the call as they see the new government's leadership is the key to responding to sluggish local consumption, low birthrates and aging population.

"Yoon's election represents the nation's wishes (for the incoming administration) to ride out the prolonged COVID-19 pandemic and bring back justice and common sense to the society," the FKI said in a statement. The FKI also asked Yoon to make the labor market more flexible and ease regulations to help the private sector lead the country's economic growth.

KITA asked the Yoon government to take preemptive measures to respond to the carbon neutral era and protect local exporters amid growing protectionism in major trading partners, such as the U.S. and China, which are in hegemonic competition.

Yoon is expected to seek expansionary fiscal spending to support businesses hit hard by the pandemic and underpin the economic recovery.

S. Korea aims to commercialize 6G mobile services by 2028: ICT minister

S. Korea will push to commercialize sixth-generation (6G) services by around 2028, the country's science minister has said.

Science and ICT Minister Lim Hye-sook made the remarks on Mar. 2 during her speech at the Mobile World Congress (MWC) 2022, a mobile technology trade fair under way in Barcelona.

"We are continuing our preparations for the 6G era with the aim of commercializing 6G from 2028 to 2030 ... it will offer a network 50

times faster than the current service and an expanded coverage of up to 10 kilometers above the ground," Lim said.

Lim added that S. Korea has made meaningful progress in 5G network speed and coverage since it became the first country to commercialize 5G services in April 2019.

S. Korea will push ahead to unfold a new age with innovative digital technologies, including metaverse, blockchain, artificial intelligence and cloud, she said.