

Foreign Direct Investment

Dutch chip firm ASM to invest USD 100 mln in S. Korea for facility expansion

S. Korea's industry ministry said on Feb. 2 it agreed with Dutch semiconductor equipment supplier ASM to boost cooperation for the firm's planned investment of USD 100 million to build a production factory and a research and development center in S. Korea.

The two sides signed a memorandum of understanding (MOU) in Seoul on the day, which calls for joint work for the smooth implementation of the corporate investment worth USD 100 million through 2025, ac-

ording to the Ministry of Trade, Industry and Energy.

The company is reviewing building a second factory that produces equipment for atomic layer deposition, a key process in chips manufacturing, and the expansion of its R&D center in S. Korea.

Currently, ASM is headquartered in the city of Hwaseong, Gyeonggi Province, some 40 kilometers south of Seoul.

S. Korea vows to meet 'global standard' for inclusion in WGBI

S. Korea will continue to revamp its market policies to attract more foreign investors to join the World Government Bond Index (WGBI) this year, the finance ministry said on Feb. 9.

The remark came after Second Vice Finance Minister Choi Sang-dae held a meeting with David Sol, the global head of London-based FTSE Russell, which operates the index on Feb. 8 (Britain time).

The WGBI is a broad index designed to measure the performance of government bond markets, including local currencies and sovereign bonds of major advanced nations. Asia's No. 4 economy made it to the "watchlist" in September 2022.

S. Korea has recently been making efforts to ease market regulations, including announcing its plan to abolish the existing mandatory registration policy for foreigners investing in listed securities.

The country also began exempting taxes on interest income and capital gains for non-residents and foreign companies' investment in Treasuries and monetary stabilization bonds.

Korea also announced it will extend the operating hours of its foreign exchange market—which currently runs for 6 1/2 hours from 9 a.m. to 3:30 p.m.—to 17 hours to close at 2 a.m. the day after, as early as the second half of 2024.

Trade & Commerce

Auto exports up 21.9 pct in Jan. on record sales of eco-friendly cars

S. Korea's car exports jumped 21.9 percent in January on-year, driven by record-high global sales of eco-friendly cars, data showed on Feb. 20.

The value of outbound shipments of automobiles came to USD 4.98 billion last month, up from 4.09 billion a year earlier, according to the data from the Ministry of Trade, Industry and Energy.

It is the highest figure for any January, the ministry noted. The previous record was set

in January 2013, when exports stood at USD 4.2 billion.

In terms of volume, a total of 200,825 vehicles were sold overseas last month, up 11.3 percent from the previous year, the data showed.

Strong demand for eco-friendly vehicles led the overall brisk car sales. The export value of eco-friendly cars jumped 42.3 percent on-year in January to an all-time monthly high of USD 1.79 billion.

Industry

Korean oil refiners to drive eco-friendly projects on record earnings

S. Korean oil refineries are expected to speed up environmentally-friendly and petrochemical business projects this year after their best-ever earnings performance last year amid oil market volatility.

The good performance was attributed to strong recovery in oil demand amid supply disruptions caused by a shortage of refinery facilities and geopolitical risks last year. According to market data, exports of petroleum products by the domestic oil refining industry reached a record USD 570.3 billion last year.

This year, the European Union's sanctions on Russian oil refinery products and China's reopening are expected to boost the industry's refining margins. A recovery in global jet fuel demand is also helpful to the industry. Oil refining margins are expected to remain strong this year as the Ukraine-Russia war continues.

Meanwhile, local oil refiners are expanding lucrative petrochemical business, while strengthening their eco-friendly business projects.

Online shopping hits fresh high in 2022 on travel demand

Online shopping in S. Korea reached a new record in 2022 following firm demand for travel services amid eased concerns over the pandemic, data showed on Feb 1.

The value of online shopping transactions stood at KRW 206.4 trillion (USD 167.3 billion) in 2022, up 10.4 percent from the previous year, according to the data from Statistics Korea.

It marked the largest number since the statistics agency began compiling related data in 2001.

Purchases made through smartphones, tablets and other mobile devices rose 13.4 percent on-year to KRW 153 trillion. Mobile shopping accounted for around 75 percent of the total value of online shopping.

Government & Policy

S. Korea plans to launch 6G network service in 2028

S. Korea plans to launch the sixth generation network service in 2028, two years earlier than its original schedule, in a bid to secure an early dominance of the future wireless frequencies, the ICT ministry said on Feb. 20.

Under the K-Network 2030 plan, the S. Korean government will advance the launch of the commercial service of 6G network by two years through securing world-class 6G technologies, innovating the software-based next-generation mobile network and strengthening the network supply chain, according to the Ministry of Science and ICT.

At the same time, the government will also encourage local companies to produce materials, parts and equipment for 6G technology in the country and develop an open RAN, or

open radio access network, which is compatible with any mobile device and enables mobile carriers and enterprises to offer flexible services.

The ministry said the advanced plan is aimed at helping the country retain the leading position in the global competition for future network infrastructure, following the 5G network race, to meet rising demand for higher speed and lower latency in wireless communications.

According to the German analysis firm IP-lytics, S. Korea has led 5G development with a high number of 5G patents, while previous 4G technology development was mostly dominated by U.S. and European companies.