Foreign Direct Investment

FDI pledges to Korea hit record high in H1

Foreign direct investment (FDI) pledges to S. Korea jumped 54.2 percent on-year in the first six months of this year to reach a record high for any first-half period, data showed Jul. 4.

The country received USD 17.09 billion of FDI commitments in the January-June period, compared with USD 11.09 billion logged a year earlier, according to the Ministry of Trade, Industry and Energy.

This year's figure is the largest ever for any January-June period, with the previous record being USD 13.14 billion in 2021.

For the second quarter alone, FDI also reached an all-time high for any second quarter at USD 11.46 billion, the data showed.

The amount of investment that actually arrived in S. Korea in the first half grew 6 percent on-year to USD 7.75 billion, according to the ministry.

By industry, the manufacturing sector received investment pledges of USD 7.63 billion in the first half, up 145.9 percent on-year, and FDI pledges to the service sector climbed 11 percent to USD 8.48 billion.

Global chip companies scramble to obtain industry talent in Korea

Global semiconductor companies are scrambling to secure industry talents in S. Korea as they expand investment in the country instead of China amid the U.S.’ tightened technology control against the world’s second-largest economy.

According to multiple sources from the chip industry on Jul. 2, U.S. chip equipment company Lam Research Corp. held the Lam Research Tech Academy, a semiconductor equipment training program for junior and senior college students in Korea, on June 28.

The company’s move comes as competition for talent in the Korean chip industry is intensifying among the global players.

The world’s top semiconductor equipment companies, Applied Materials Inc. (AMAT) from the U.S., ASML Holding N.V. from the Netherlands, Lam Research, and Tokyo Electron Limited (TEL) from Japan, are all building or expanding R&D centers in Korea to meet the demand from major customers such as Samsung Electronics Co. and SK hynix Inc.

Trade & Commerce

Korea posts first trade surplus in June in 16 months

S. Korea’s trade balance, which has been a drag on the economy, has returned to a surplus for the first time in 16 months, with three major export items—automobiles, batteries and general machinery—posting record shipments in the first half of the year.

The monthly export decline was also the lowest this year, a sign that the economy may be recovering in the second half, according to analysts.

According to the Ministry of Trade, Industry and Energy on Jul. 2, the monthly trade balance in June posted a surplus of USD 1.13 billion, ending 15 consecutive months of deficits since March last year.

Since the beginning of this year, the trade deficit had been shrinking every month. Finally, last month saw a trade balance surplus as exports outperformed imports.

K-pop album exports reach all-time high in 1st half

Exports of K-pop albums reached an all-time high in the first half of the year, with the United States surpassing China as the second-largest market for Korean music, data showed on Jul. 18.

According to the data from the Korea Customs Service, exports of K-pop albums in the first six months of the year reached USD 132.93 million, up 17.1 percent from a year ago. This marks the highest figure for the first half of any year.

Japan was the largest market for exports of K-pop albums in the first half of 2023, with exports of USD 48.52 million. The United States was the second-largest market with USD 25.51 million, followed by China with USD 22.64 million.

Germany, Taiwan, Hong Kong, the Netherlands, Canada, Britain and France were the other top 10 markets for K-pop albums during the period.
Korea launches industry AI alliance joined by 20 major companies

S. Korea on Jul. 25 launched an industry artificial intelligence (AI) alliance joined by 20 large companies representing the value chain of major industries including automotive, shipbuilding, and steel.

The Ministry of Trade, Industry and Energy said that it held an inauguration ceremony for the alliance in Seoul on Tuesday in the attendance of its First Vice Minister of Trade Jang Young-jin and representatives of 20 major companies from 10 industry sectors.

The alliance is joined by companies from mainstay sectors such as Hyundai Motor Co., LG Electronics Inc., Hyundai Steel Co., and LG Energy Solution Ltd., and digital transformation (DX) suppliers such as Samsung SDI Co. and SK C&C Co.

Consultations are already underway on more than 10 tasks, which include managing data linkage across the entire cycle from car design to second-hand sales, linking smart ships, equipment, shipping, and ports, relocating partners of large companies’ DX solutions for power products, and AI-based process control to minimize waste in the cement making process.

Korea to establish joint research facilities, equipment for key technologies

The S. Korean government will launch a project to build joint research facilities and equipment to foster technologies in the materials, parts, and equipment sectors across chips, displays, and automobiles.

The Ministry of Trade, Industry, and Energy announced on Jul. 17 that it is holding an open competition for new projects aimed at developing infrastructure to support the core strategic technologies in the materials, parts, and equipment sectors.

The project’s objective is to help companies commercialize their strategic technologies by having public agencies and non-profit organizations build research facilities and equipment.

The government plans to invest KRW 70 billion (USD 55 million) in the project, which will serve as a strategic testbed for strengthening the global supply chain of core materials, parts, and equipment industries over a period of four years from this year to 2026.

Seoul to transform Noryangjin fish market into new economic hub

The Seoul Metropolitan Government on Jul. 27 unveiled a plan to transform the site of the former Noryangjin Fisheries Wholesale Market in Dongjak District in Seoul into a new economic hub connecting Yeouido and Yongsan.

The plan was approved during a 12th meeting of the city government’s joint committee on urban planning and architectural affairs, which includes transforming the underdeveloped area adjacent to Noryangjin Station, including the former Noryangjin Fisheries Wholesale Market, into a waterfront complex connecting Yeouido and Yongsan.

Under the plan, the city government will ease the height restrictions in the Noryangjin Station Special Plan Area to facilitate its development as an economic hub.