

Foreign Direct Investment

Canadian coffee chain Tim Hortons to add 2 new outlets in Korea

Canadian coffee brand Tim Hortons said on Jan. 24 that it added two new outlets in S. Korea in January amid a strong response from local consumers since it began operations a month ago.

Tim Hortons opened the first and second stores in Sinnonhyeon and Seolleung, southern Seoul, on Dec. 14, 2023 and Dec. 28, 2023, respectively, with an aim to open 150 outlets here within five years.

The third and fourth outlets are near Sungnyemun, or Namdaemun, in central Seoul and Seoul National University in southern Seoul according to the company statement.

The first two outlets in S. Korea performed better than Tim Hortons stores in other Asian countries by selling more than 300,000 donuts and over 100,000 cups of coffee in the past month, a company spokesperson said.

S. Korea is the seventh Asian country to which the Canadian company advanced after China, India, Pakistan, the Philippines, Thailand and Singapore, she said.

Tim Hortons said it decided to enter S. Korea due to its vibrant coffee culture, where coffee consumption per person is almost threefold the global average.

Trade & Commerce

Korean bakery exports hit record high in 2023 on strong demand in U.S., China

S. Korea's bakery exports reached an all-time high in 2023 as Korean-style baked goods gain increasing popularity across the world, including the United States and China, data showed on Jan. 21.

According to the Korea Customs Office, S. Korea's bakery exports reached a record high of 1.9 billion in 2023, more than doubling from 2013.

By country, bakery exports to the U.S. accounted for the largest at 24 percent, followed

by China at 18 percent, Japan at 7 percent, the Netherlands at 4 percent, and Australia at 4 percent.

Bakery exports to the U.S., in particular, surged by 36 percent last year from a year ago, surpassing those to China.

Exports to the Netherlands and Australia also increased by 77 percent and 23 percent, respectively. Until 2022, the top export destinations were China, the U.S., Japan, Taiwan, and Vietnam in order.

Korean car exports hit a record high in 2023

S. Korea's automobile exports hit a record high of over USD 70 billion in 2023, despite domestic and international challenges including the U.S. Inflation Reduction Act (IRA). Automobiles ranked first among all export items amid a slump in semiconductors, leading to an improved export and trade balance in the country.

According to data from the Ministry of Trade, Industry and Energy on Jan. 16, the country's automobile exports totaled USD

70.9 billion in 2023, up 31.1 percent from a year ago. The number of eco-friendly vehicles exported during the year was up 31.3 percent from the previous year to 729,000, and the export value was up 50.3 percent to USD 24.2 billion, both record highs.

By region, exports to North America rose by 44.7 percent to USD 37 billion compared to the previous year, and those to the European Union (EU) recorded a 32.9 percent increase to USD 10.8 billion.

Korea, Britain launch talks to improve bilateral FTA

S. Korea's industry ministry said on Jan. 23 it has launched the first round of talks with Britain to discuss ways to improve their bilateral free trade agreement (FTA).

The meeting focused on updating the latest global trade norms in areas, including the digital industry and supply chains, according to the Ministry of Trade, Industry and Energy.

S. Korea and Britain implemented the FTA

in January 2021 following London's departure from the European Union.

The two countries will also share opinions on establishing "future-oriented" and "strategic" trade relationships encompassing sectors that include clean energy, it added.

The second round of negotiations will be held in London in March, according to the ministry.

Industry

Korea's manufacturing sector to improve as chips, smartphones resurge

S. Korea's manufacturing industry is expected to see substantial improvement, driven by the resurgence of chips, smartphones, and other information and communication technology (ICT) sectors, an analysis showed on Jan. 21.

According to the Professional Survey Index (PSI) data released by the Korea Institute for Industrial Economics & Trade (KIET), the manufacturing status index stood at 102 in January, continuing the upward trend for six consecutive months.

Although the domestic demand index

remained below 100 for two consecutive months at 98, both export and production indices have increased, to 106 and 108 respectively.

Sectors with indices surpassing 100 in January are semiconductors (145), mobile phones (118), home appliances (107), shipbuilding (106), and bio-health (117).

The chip industry is anticipated to see a continued upward trend as shipment increases and inventory decreases, coupled with a sustained high factory operating rate, following improved demand.

Government & Policy

Korea to invest USD 472 bn for semiconductor mega cluster

S. Korean President Yoon Suk Yeol said on Jan. 15 that the country is "building the world's largest semiconductor mega cluster that will run through southern Gyeonggi Province."

"We are aiming to invest KRW 622 trillion (USD 472 billion), which will create 3 million quality jobs over the next 20 years," Yoon said during a policy debate held at Sungkyunkwan University's Natural Sciences Campus in Suwon, Gyeonggi Province, the third in a series of debates on livelihood issues.

The Korean government announced a plan

for a 'semiconductor mega cluster' in 2023, which is expected to be completed in 2047 with the investment of KRW 622 trillion from Samsung Electronics Co., SK hynix Inc. and other companies. The plan also designated Pangyo, Suwon, and Pyeongtaek as the three main hubs for semiconductor research and development (R&D) and education.

The government expects the semiconductor mega cluster to generate KRW 650 trillion in production while nurturing talent and securing innovative technologies centered around these hub cities.

Korea to invest KRW 3 tln in robot industry by 2030

S. Korea's industry ministry unveiled a plan on Jan. 16 to invest KRW 3 trillion (USD 2.3 billion) in the robot sector with private businesses by 2030, with a goal of supplying 1 million robots to local industries.

The plan for intelligence robots will focus on securing 80 percent of key robot parts locally by 2030, compared with the current estimate of 44 percent, according to the Ministry of Trade, Industry and Energy.

The country will also promptly lift around 50

regulations to pave the way for the development of the robot industry, and foster 15,000 experts, it added.

Through such efforts, S. Korea aims to deploy 1 million robots across various sectors of society, encompassing the agriculture, logistics, defense and medical fields.

The plan will aim to increase the size of the local robot industry to KRW 20 trillion in 2030, compared with KRW 5.6 trillion tallied in 2021, it said.